

**The War on Drugs in the U.S. and Latin America  
and  
The Rise and Fall of Manuel Noriega**

**by**

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**Report**

Presented to the Faculty of the Graduate School of  
The University of Texas at Austin  
in Partial Fulfillment  
of the Requirements  
for the Degree of

**Master of Arts**

**The University of Texas at Austin  
December 1997**

**19980108 173**

**REPORT DOCUMENTATION PAGE**

Form Approved  
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.

1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE 31 Dec 97	3. REPORT TYPE AND DATES COVERED
4. TITLE AND SUBTITLE The War on Drugs in the U.S. and Latin America and The Rise and Fall of Manuel Noriega		5. FUNDING NUMBERS	
6. AUTHOR(S) Yvonne Marie Allen			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) University of Texas at Austin		8. PERFORMING ORGANIZATION REPORT NUMBER 97-157	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) THE DEPARTMENT OF THE AIR FORCE AFIT/CIA, BLDG 125 2950 P STREET WPAFB OH 45433		10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES			
12a. DISTRIBUTION AVAILABILITY STATEMENT Unlimited Distribution In Accordance With AFI 35-205/AFIT Sup 1		12b. DISTRIBUTION CODE	
13. ABSTRACT (Maximum 200 words)			
DTIC QUALITY INSPECTED 			
14. SUBJECT TERMS		15. NUMBER OF PAGES 119	
		16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT	18. SECURITY CLASSIFICATION OF THIS PAGE	19. SECURITY CLASSIFICATION OF ABSTRACT	20. LIMITATION OF ABSTRACT

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The Rise and Fall of Manuel Noriega**

**Approved by  
Supervising Committee:**

Henry J. Kamm  
Virginia O'Burnett

## **Dedication**

For Sarah Bennett, my sister, whose victories in battles against depression and drug addiction continue to be a source of inspiration to me. In the hope that the nations in the Americas can one day be as victorious in their war on drugs as she has been.

## **Acknowledgments**

There are many people who helped me to pursue and obtain this masters degree, which has culminated in the writing of these reports. First I would like to thank my husband, Scot Allen, for his patience, love, and constant support throughout my pursuit of an advanced degree. Additionally, he carefully edited both reports, and created and perfected all of my graphs and charts.

I feel very fortunate that the Air Force gave me the opportunity to study Latin American Studies here at UT. The resources here are truly remarkable. I am especially fortunate that I had the opportunity to study under Dr. Henry Dietz and Dr. Virginia Garrard Burnett. I am grateful for their exceptional teaching ability, as well as their encouragement and guidance to me as I wrote these reports. I would also like to acknowledge Dr. William Glade and Craig Schroer for their assistance with my research.

I met many special people here in Austin who I would like to thank for their friendship: the “Army guys”- Tom, Matt, and Erik, also Amy, Aida, Marcy, Ludmilla, Alex, Nancy, and all the crazy ILASA students.

Before I set foot in Texas to begin this degree my life has been blessed by people who inspired and encouraged me. First, I would like to express my gratitude to my parents Richard and Carol Bennett and my sister Sarah Bennett. I would also like to thank my family and friends: Patton and Jacqueline Allen, Peter and Sharon Keller, Beth Boyum, Judy LaValley, Anne Reboul, Stéphane Pragnon, Barbara Bonner, the Losiewicz family, and my dog, Cinders.

Report submission date: 5 December 1997.

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## **The War on Drugs in the U.S. and Latin America**

## **Introduction**

The problem of illegal drug use has presented a long-term challenge to the government of the United States. U.S. citizens, concerned about rising crime and communities devastated by the drug trade, have lobbied the government to do more to curb illegal drug use. Although counternarcotics activities increased in the 1970s, President Ronald Reagan placed greater emphasis on the war on drugs than previous administrations. In the 1980s, after some prodding from the administration, the U.S. military reluctantly entered the fight. The role of the military has mainly involved interdiction efforts on the U.S. border and overseas. But combating illegal drug use is an international effort, with many implications for U.S. foreign policy.

The United States government has failed to reduce the negative impact of illegal drug use on society due to its primary focus on supply reduction. This report will address foreign policy, law enforcement efforts, and military involvement in the “war on drugs,” and offers a critical assessment of the problems associated with supply reduction. The first section of this paper provides an overview of the drug war, followed by a discussion of U.S. foreign policy, which concentrates on drug supply reduction. The next sections outline supply reduction methods, law enforcement, and military involvement in the drug war. The following section serves as a regional survey of counter-narcotics efforts, followed by arguments for demand reduction. The paper ends with policy recommendations and conclusions.

Despite millions of dollars spent on the drug war, research continues to show that U.S. counternarcotics efforts are largely ineffective. While the majority of counter-drug money has been spent on interdiction and other methods intended to reduce the supply of drugs reaching the U.S. market, many now agree that a greater emphasis should be placed on demand reduction. Illicit drug use has gone down in recent years among affluent, educated population groups, but hard core abuse of cocaine, crack, and heroin has not changed. The availability of drug treatment and structured aftercare programs is sadly lacking for millions of addicts from low-income groups.<sup>1</sup>

Although cocaine, heroin, and marijuana trafficking are all targeted by U.S. counternarcotics efforts, this paper focuses primarily on cocaine trafficking. For a variety of reasons, the majority of U.S. interdiction efforts have concentrated on curbing the supply of cocaine. More people abuse cocaine than heroin and more violent crime is associated with cocaine and crack abuse than marijuana, and thus it is viewed as a more serious problem. Additionally, the U.S. can exert more influence in the cocaine producing and transiting nations in Central and South America than in the heroin-producing regions of the Far East.

### **Drug War Background**

Many politicians have jumped on the drug war “bandwagon.” Throughout history the American public has reacted favorably to victories in war. Though not

a conventional conflict, apparent gains in the drug war have also resulted in popularity boosts for public officials.<sup>2</sup> Although the overall commitment of the American people is hard to gauge, leading officials and citizens have demanded that their government deal more effectively with the crisis in drug trafficking and related crime. In an address to the United Nations (UN) in 1990, U.S. Secretary of State James Baker reported that the American people considered illegal drug use the number one problem facing the United States. He assured the General Assembly that winning the war on drugs was a top priority for the Bush Administration.<sup>3</sup> Although many agree that a drug-free society is a laudable goal in the abstract, reaching that goal requires substantial resources that could be spent on something else. The costs of fighting the drug war are high, and resources of state and local governments are scarce. Admittedly, the costs of drug abuse are also high. Some obvious concerns are the social costs of crime, health care costs associated with drug abuse, the potential economic costs of lost worker productivity, and the predicament of communities devastated by the drug trade.<sup>4</sup>

### **Drug Control History**

Concerted efforts to control drugs in the United States began in the 1870's as Americans became concerned about opium abuse. Federal narcotics regulation was not pursued at this time because legal experts believed courts would find such controls unconstitutional. During this time period the Coca-Cola company was importing coca leaves from Bolivia to enhance the flavor of its popular beverage.

In Bolivia and other Latin American countries drugs received little national attention. Activities of indigenous peoples who used drugs such as coca, peyote, and marijuana were of little concern to authorities at the time.<sup>5</sup>

The drug trade slowly became more of a transnational industry as British entrepreneurs brought opium to markets in the West. Citizens became concerned about the negative effects of activities such as opium smoking on society. Thus began the international anti-narcotics movement. In the U.S., drug control was well suited to the reform campaigns of the Progressive Era. The first federal anti-drug law, the Harrison Narcotics Act, was passed in 1914. At this time advocates of drug control adopted the supply-side approach and demanded that sources of supply be cut off from the U.S. drug market.<sup>6</sup>

The Harrison Narcotics Act was prompted by U.S. agreement to carry out a global drug order developed at the Hague in the Netherlands two years earlier. The order stipulated that certain drugs were too harmful for general use and would be restricted to medical purposes. Participating nations agreed to develop treaties and national laws that regulated the growth, production, and sale of these dangerous drugs. Some drugs, such as heroin, were so attractive to potential abusers that they were totally banned, even in medicine.<sup>7</sup>

There was a great deal of evidence that the moral reform of the Progressive Era had fallen short of its goals. Officials sought a scapegoat to provide an

explanation for continuing drug-related problems: "Authorities south of the border in Mexico, they decided, possessed neither the political will nor the moral inclination to control habit-forming drugs."<sup>8</sup> In Latin America, producer states such as Bolivia, Peru, and Mexico were hesitant to accept the policy recommendations of Northern anti-drug officials. These nations considered the issue a domestic matter, and often adopted drug control policy for practical political reasons. Such policies were rarely enforced.<sup>9</sup>

Citizens and officials in the United States held to the idealistic philosophy that comprehensive control of the drug trade and of illegal drug use was possible. This view was held well into the 1920's (and is still prevalent among many American citizens today). Latin American officials, however, linked the drug trade to unassimilated indigenous populations who often did not figure in national policy decisions. More importantly, officials in Latin America believed that drug-related problems were primarily a problem of consumption. They argued that if demand went down in the U.S. then this issue would cease to be an area of concern in inter-American relations.<sup>10</sup>

Distrust and misperception characterized inter-American relations dealing with drug control in the 1920's and 1930's. By 1930 the U.S. was pursuing its drug control agenda through the League of Nations. Harry J. Anslinger became the commissioner of the Federal Bureau of Narcotics (FBN). U.S. tactics under Anslinger, charged with the task of changing Mexican drug policy, were heavy-

handed and did not take Mexican sovereignty into consideration. Government leaders in Mexico responded with a policy of denial. Ignoring concerns prevalent in Mexican society, the government simply claimed drug control was not a problem between the U.S. and Mexico.<sup>11</sup>

Commissioner Anslinger found that his tactic of blaming U.S. drug problems on foreigners had minimal effect on the availability of drugs in America. In 1934, on the twentieth anniversary of the passage of the Harrison Narcotics Act, the Saint Louis Post Dispatch ran a critical article. It called the law a failure, claiming it had actually resulted in encouraging an uncontrollable traffic in illegal drugs. During the 1930's, the primary punishment for failure to comply with U.S. expectations for drug control was denunciation before the Opium Advisory Committee in Geneva. The tactic of denouncing foreign governments for their actions regarding illegal drug control also did not fit in well with President Franklin Roosevelt's "good neighbor" foreign policy efforts.<sup>12</sup>

In 1937, the FBN gained jurisdiction over control of all illegal drugs. That same year the first federal anti-marijuana law was passed. It is likely (but not statistically verifiable) that consumption of marijuana declined following the passage of this law.<sup>13</sup> Regardless of its true effect, it was a public relations success for the FBN. During this time the supply-side approach gained momentum and more pressure was placed on countries like Mexico to eradicate

their own drug crops. This allowed the FBN to avoid confronting domestic issues related to drug abuse.<sup>14</sup>

Conditions during World War II allowed drug control officials in the U.S. to use the war effort to enhance their influence. These officials were able to designate drugs as a strategic commodity. Anslinger began a publicity campaign that involved defining the illegal drug trade (from production to consumption) as a threat to the war effort. Despite these efforts, attempts to micromanage foreign drug policies during the war only met with partial success.<sup>15</sup>

Following the war, the UN commissioned several studies on the role of coca in Andean societies. The physiological effects of coca documented in these studies helped the position of prohibitionists. In 1954, Peru's Manuel Odría declared that coca was a threat to the health and welfare of the indigenous population. Following this announcement, coca production rose 15 percent between 1950 and 1953. This was, in part, a result of higher U.S. demand for cocaine in the 1950's. As a result of pressure from the U.S. the Odría administration forced private manufacturers of cocaine out of business. After a brief decline in world demand, financing for alternative development programs in Peru never materialized. Peru's economy continued to be tied to export-led development, and peasant farmers continued to make the economic choices they had made for decades, which meant continued reliance on coca production, especially during hard economic times.<sup>16</sup>

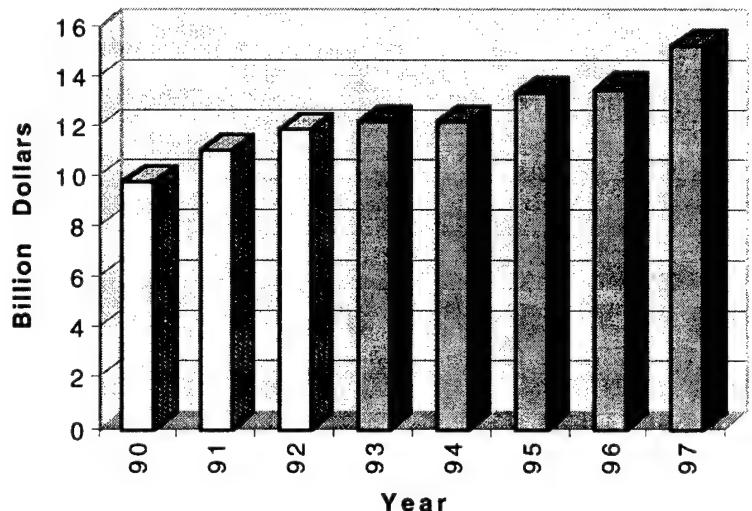
The 1961 Single Convention on Narcotic Drugs met with a less than optimal response in Peru and Bolivia. The convention would have limited production and curtailed traditional uses of coca. Bolivia did not sign the accord until 1975. Peru signed it promptly, but with the caveat that economic considerations could delay its implementation for twenty-five years.<sup>17</sup> The emergence of the counter-culture in the 1960's resulted in a growth in drug trafficking between 1960 and 1980 and a rapid expansion of the drug market in the United States.<sup>18</sup> In response, this expansion has provoked several presidential administrations to fight a "war" against drugs. A pattern has emerged of one administration claiming victory, only to be followed by the next administration renewing the war .

President Richard Nixon launched the first war on drugs, followed by a declaration in September of 1973 that "We have turned the corner on drug addiction in the U.S." This did not stop President Jimmy Carter from declaring a new war and announcing at least partial victory. The Reagan administration, however, made the greatest effort at enforcing drug laws in recent history. Reagan made a massive commitment of will, money, equipment, and people toward drug control work. This commitment included stricter border interdiction and law enforcement, as well as coordinating the efforts of national intelligence gathering agencies against drug traffickers.<sup>19</sup>

President Bush continued many of Reagan's programs and even launched an invasion to capture Panama's Manuel Noriega, who had been indicted for drug crimes.<sup>20</sup> Under the Clinton administration, the Office of National Drug Control Policy has focused more resources on the drug war than previous administrations (see Figure 1).<sup>21</sup> One of Clinton's responses to the drug problem thus far has been to allocate federal funds to put more police officers on the street. Although 100,000 more officers were promised in the 1994 Crime Law, experts now say that only 20,000 will actually be fielded.<sup>22</sup> Clinton has also reallocated funds away from many of the interdiction efforts that had proven ineffective under the Reagan and Bush administrations.<sup>23</sup>

**Figure 1: Expenditures of the Office of National Drug Control**

Source: [www.whitehouse.gov/WH/EOP/ondcp/html/ondcp.html](http://www.whitehouse.gov/WH/EOP/ondcp/html/ondcp.html)



Bush Administration: 1990-1992.

Clinton Administration: 1993-1997.

## **U.S. Foreign Policy and the Drug War**

U.S. foreign policy against drugs has been characterized by strong rhetoric accompanied by a lack of resolve. In 1989, the U.S. developed a national drug control strategy that continues to be updated annually. The strategy addresses narcotics problems in different areas of the world.<sup>24</sup> Occasionally, U.S. anti-drug programs contained in this strategy meet with success, but most do not accomplish their stated goals. Often U.S. foreign policy objectives are not accompanied by well-thought out, consistent actions. In 1988 the White House Conference for a Drug Free America concluded that the ineffectiveness of diplomatic pressure on foreign countries that produce and transport drugs was a major problem. The international war on drugs was seen as having a low priority in bilateral diplomatic discussions. In fact, diplomacy was often cited as an obstacle to the performance of successful international law enforcement.<sup>25</sup>

Many analysts are critical of the presidential certification process that began as a result of the 1961 Federal Assistance Act. The act defines a major drug producing country as one in which 1,000 hectares or more of illicit opium, coca, or cannabis are cultivated or harvested during a year. A major drug transit country is one that is a significant source of illicit drugs or through which such drugs are transported to the U.S. The president is required to make determinations each year regarding the extent to which major drug producing or drug transit countries

have followed certain guidelines. If a country is decertified, most foreign assistance to that nation is cut off and the U.S. must vote against multilateral bank lending to that country. To receive U.S. certification, a country must comply with three guidelines. One of the guidelines is that a nation must meet the objectives of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The convention includes action taken on:

- (1) illicit cultivation, distribution, and transport of drugs
- (2) money laundering
- (3) mutual law enforcement cooperation
- (4) precursor chemical control
- (5) demand reduction

The second guideline is whether the country has accomplished goals contained in previous bilateral agreements with the U.S. Finally, nations must have taken legal measures to prevent and punish corruption.<sup>26</sup>

Those critical of the certification process claim it is demeaning and counterproductive. They say it weakens cooperation between the U.S. and drug producing and drug transit countries. Furthermore, some members of Congress say they are not sure the U.S. could certify itself under the certification provisions. Regardless of these criticisms, it is unlikely the process will change in the near future. Melvyn Levsky, former Assistant Secretary of State for International Narcotics Matters, stated in 1991 that the Bush Administration had proposed measures that would give the president flexibility in funding and require

less accountability to Congress. The answer to the proposal was a resounding "no" from Congress. The reasoning behind this response was that as long as the American taxpayer is paying the bills for anti-drug programs overseas, then Congress is responsible for determining the conditions of the funding. Congress must be able to show the results of using funds overseas that could be used on domestic programs against the drug trade.<sup>27</sup>

Drug warriors have all been confronted with the dilemma of how best to attack the drug problem. Although trying to reduce the demand for drugs seems to be a logical first step, few resources are devoted to this task. Instead, American efforts have primarily concentrated on stopping the supply of drugs from reaching the domestic market. The plan of attack has aimed to weaken drug trafficking organizations along the entire distribution chain. Efforts have focused on separating traffickers from their money and their chemicals, harassing growers, and generally dismantling the complex system that serves the illegal drug supply industry.<sup>28</sup> Some of the methods used include eradication of source crops, stepping up interdiction efforts, and increased involvement from the military at home and abroad. Most methods used thus far to decrease drug supplies have been largely ineffective. This is a very difficult task with high stakes. Annual drug sales in the U.S. were estimated at \$110 billion in the late 1980's, more than double the combined profits of all *Fortune 500* companies.<sup>29</sup>

In 1988, the amount of money spent on cocaine in the U.S. was greater than the amount spent on petroleum and its derivative products.<sup>30</sup> Figure 2 (next page) contains a summary of the economic costs of drug abuse in 1988:

Figure 2: Economic Costs of Drug Abuse

Source: U.S. Congress, Impact of Drugs, 1990, p. 10.

Economic Costs of Drug Abuse in the United States (in Billions of Dollars)		
Category	High Estimate	Low Estimate
Health Care Costs		
Medical Costs to Business	\$15.2	\$2.7
ICU Cost of Drug-Exposed Infants	\$10.5	\$2.8
Total Cost of Drug-Related AIDS	\$6.5	\$2.3
Total Health Care Costs	\$32.2	\$7.8
Work Force Costs		
Reduced Productivity and Employment Loss	\$48.7	\$10.2
Law Enforcement Costs		
Crime (Including Lost Productivity for the Incarcerated)	\$44.0	\$42.4
Total Economic Costs of Drug Abuse	\$124.9	\$60.4

Many argue that the cost of drug addiction in human capital hinders the United States' ability to remain competitive. According to the National Institute of Drug Abuse, one in four fully employed males uses marijuana on a regular basis, and one in twenty uses cocaine.<sup>31</sup> Drug impaired employees endanger fellow

workers, are not as productive as they might otherwise be, and suffer from more frequent health problems.<sup>32</sup> Joseph Walsh, the vice president for personnel at New York Telephone, elaborated on this concern in testimony before the House Select Committee on Narcotics Abuse and Control:

Tell me, how can our Nation or a company like ours, compete in the emerging global economy burdened by the huge toll that dropouts, substance abusers, and other inadequately prepared employees extract from a company and a society in terms of low productivity, accidents, absenteeism, and poor product quality ?<sup>33</sup>

Many businesses have other large expenses that are caused by drug addition. According to James Burke, chairman of the Partnership for a Drug-Free America in 1990, American businesses have played two key roles in the fight against drug abuse. First, some businesses have worked aggressively toward providing a drug-free work place and treatment for those who need help. Many large corporations serve as private sector leaders in funding drug abuse education, detection, treatment, and counseling programs. While education and detection programs involve relatively smaller costs, the overall health care costs of treating employees and their family members that have drug abuse problems is quite high.<sup>34</sup> In 1985, thirty percent of General Motors' total health care budget went toward treatment of drug-related health problems.<sup>35</sup>

The second and broader role has been the use of the expertise, resources, and leadership of American businesses to help find solutions to illegal drug use in society at large.<sup>36</sup> One good example of this role is the actions of many corporations in the work of a special privately funded anti-drug campaign. The

National Broadcasting Company (NBC) devoted twenty five percent of its public service announcement time in 1990 to the anti-drug ads developed by the Partnership for a Drug-Free America. The goal of the Partnership is to build anti-drug attitudes that will change usage behavior. Workers in national and local media, advertising, public relations, market research, and many other professions have donated their time and talent to produce anti-drug messages. This work is one of the largest private sector volunteer efforts since World War II.<sup>37</sup>

### **Supply Reduction Methods**

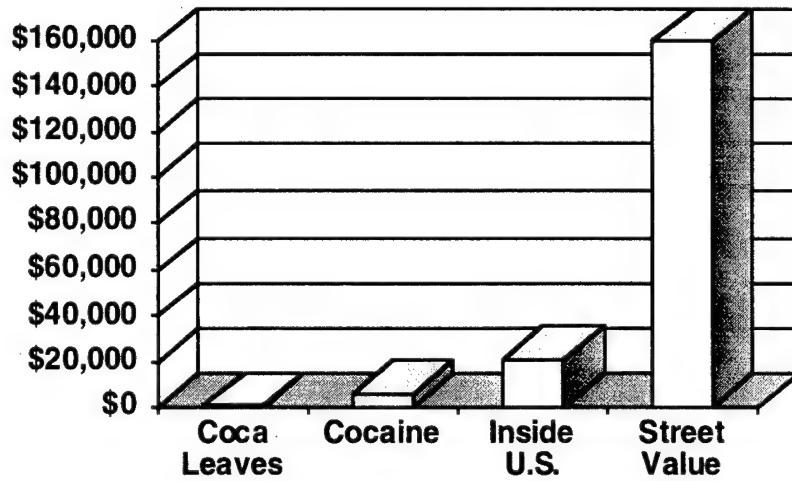
Eradication of drug crops involves several tactics. The first is to spray herbicides on the crops to kill the source plants. Most spraying has been done in the Andean Ridge against the coca plant. This method is effective but time consuming and expensive. It is also harmful to the environment and strongly opposed by host nations. Advocates have argued that the coca industry is equally harmful to the environment because the chemicals used to process cocaine are dumped into area lakes and streams. Additionally, they argue severe deforestation has resulted from increased coca production.

Another method is to provide incentives to farmers to grow something else. Farmers are granted a subsidy for each hectare of land on which they cease growing coca. Critics of this method say that the extra money rewards coca farmers, who end up staying in the business and clearing new land for coca crops.

In the form of coca leaf, cocaine is valued at only \$750 per kilogram. The value increases exponentially until it is sold to users in the U.S. for \$160,000 per kilogram (see Figure 3 next page). Crop eradication eliminates the supply at the point where it is cheapest and easiest to replace. In the end, the result may be more clearing of land to replace the lost production, not less cocaine available in the U.S.<sup>38</sup>

Figure 3: Value of 1 Kilogram of Cocaine

Source: Smith, 1992, p.10



Efforts to step up interdiction have involved increased use of national and foreign law enforcement organizations, aided by the military, to seize drugs before they are sold on the market. Although coordination and effectiveness of

interdiction missions increased in the 1980's, the effect of interdiction on the quantity of drugs sold in the U.S. was minimal. Confiscated drugs were easily replaced by increased production. The replacement cost at the time the drugs were seized was a fraction of the final retail cost. The replacement costs at the time the drugs were seized was a fraction of the final retail cost. The average street level price of cocaine remained stable throughout the 1980's.<sup>39</sup> A General Accounting Office (GAO) study done in 1988 showed there was no direct correlation between resources spent on interdiction and the long term availability of imported drugs in the U.S.<sup>40</sup>

### **Law Enforcement**

Expenses involved in the criminal justice system are another consequence of illegal drug use. In Connecticut in 1992, it cost \$37,000 to house an inmate in federal jail for one year. As a comparison, the cost of tuition to send a student to Yale University for the same period was only \$18,000.<sup>41</sup> Eighty percent of violent crime in the U.S. is linked to illegal drug use, sales, and distribution. Unfortunately, many aggressive policies enacted in the early 1980's were not accompanied by vigorous legislative or judicial measures. Strong laws against money laundering were not created until 1986. Additionally, it was not until 1990 that mandatory sentencing guidelines were implemented.<sup>42</sup> The organizations primarily responsible for fighting drug crimes are the Drug Enforcement Administration (DEA), the U.S. Customs Service, the Federal Bureau of

Investigation (FBI), and state and local police departments. Figures 4 and 5 offer a summary of recent drug enforcement efforts in the U.S.

Figure 4: Drug Arrests per 100,000 Population

Source: Rasmussen, 1994, p. 7

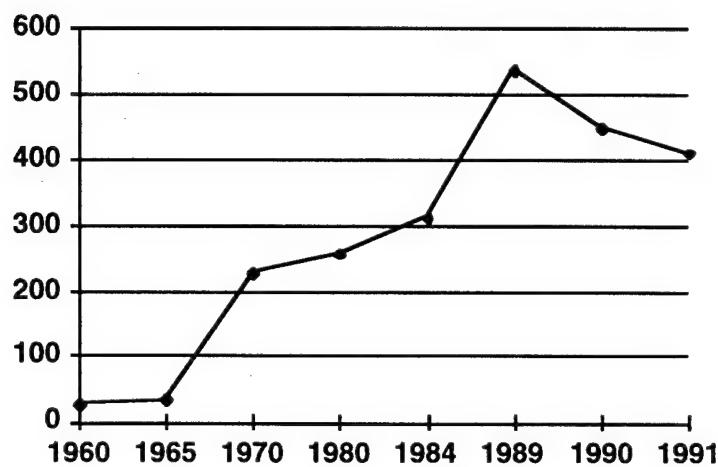
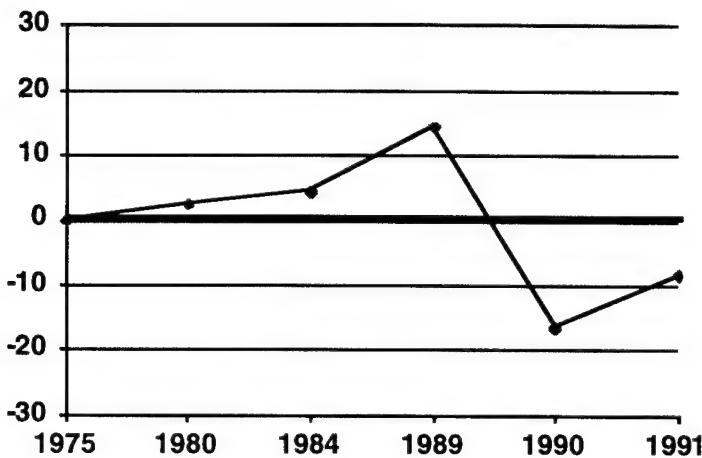


Figure 5: Average Annual Percentage Change in Drug Arrest Rates

Source: Rasmussen, 1994, p. 7



The lead law enforcement agency in the war on drugs is the Drug Enforcement Administration (DEA). The DEA is responsible for reducing and minimizing the impact of illicit drugs on the United States. The goals of the DEA include:

- (1) suppression of illicit drug production
- (2) disruption of the availability of these drugs in the distribution chain
- (3) arrest and prosecution of those involved in any aspect of illegal drug trafficking
- (4) seizure of their profits and assets.

Because so much of this work requires strong international cooperation, the DEA maintains seventy offices in forty-nine countries worldwide. Their mission

involves conducting bilateral investigations, coordinating intelligence gathering, and conducting training programs to increase the effectiveness of host nation efforts.<sup>43</sup>

The U.S. Customs Service has primary responsibility for apprehending drug smugglers at border entry points. In addition to their other duties, customs officials provide international drug interdiction training in countries considered significant to U.S. narcotics control enforcement efforts. Fifty-seven training programs were conducted in 1995, including contraband enforcement, port security, and money laundering detection. One program trains managers and employees of commercial transportation companies in narcotics security techniques.<sup>44</sup> The job of detecting drug contraband is very difficult as traffickers devise elaborate hiding devices. Distributors hide drugs in hollowed out lumber, cargo containers, and often in the bodies of individual "swallowers" (those who ingest drug-filled balloons or condoms) who travel on commercial airlines.<sup>45</sup>

The FBI had avoided drug-enforcement for decades, in part due to the fear that it would introduce higher levels of corruption into the ranks of the organization.<sup>46</sup> Actions taken during the administration of President Ronald Reagan reversed this trend. In January of 1982, an executive order from the Attorney General placed the director of the FBI in charge of the DEA and gave both organizations concurrent jurisdiction in the enforcement of federal drug laws. Not only was the FBI now involved, but the elite members of the Bureau were

placed in the top echelons of drug enforcement.<sup>47</sup> The FBI committed ten percent of its special agents to the drug war.<sup>48</sup> President Reagan also issued an executive order directing the entire federal intelligence community to provide information to civilian drug-enforcement authorities. This forced the Central Intelligence Agency, which previously had only focused on foreign concerns, to share relevant information with domestic law enforcement officials. These actions went a long way to overcome traditional turf boundaries that had hindered domestic and international law enforcement efforts.<sup>49</sup>

The police officers fighting the drug war are “in the trenches.” The duties of the police in the fight against illegal drug use include making arrests, seizing drugs and property, and working to topple drug cartels.<sup>50</sup> Pursuing drug criminals is an especially difficult task because there are no victims who will report violations to the police. Police officers are caught between drug laws that a large portion of the population regularly flouts and a rising political demand for tougher enforcement. They are faced with growing numbers of drug abusers and dealers and a gridlock in the criminal justice system that cannot handle more offenders. The potential for corruption is significant considering that the quantities cash and drugs involved in a single shipment can amount to more than the average police officer will earn in a lifetime.<sup>51</sup> When confronting violent traffickers who are heavily armed, police officers often become the casualties of the war on drugs.

One of the biggest challenges of the drug war has been to coordinate the efforts of the various organizations that play roles in enforcement. Critics charge that America's drug policy is fragmented and ineffective, stifling committed individuals by promoting infighting, confusion, and duplicity.<sup>52</sup> In their book The Economic Anatomy of a Drug War, David Rasmussen and Bruce Benson echo this concern:

Herein lies a major impediment to a coherent drug policy in America: elements of the drug enforcement system are controlled by distinct political or bureaucratic organizations, each operating under perspectives and procedures that are not necessarily governed by a compelling concern for the formulation and execution of an effective drug policy.<sup>53</sup>

In 1982 President Reagan recognized this problem and created the South Florida Task Force led by Vice President Bush. This was a pilot program designed to coordinate all federal, military, state, and local law enforcement elements in the region. The task force was used as a blue-print for twelve other organizations, called Organized Crime Drug Enforcement Task Forces, which covered the country. The pilot program also led to the creation of the National Narcotics Border Interdiction System that coordinates all interdiction on the American border.<sup>54</sup>

### **Military Involvement in the Drug War**

Despite unprecedented coordination, the drug warriors continued to fight a losing battle. The role of the military was limited during Reagan's first term due to the reluctance of the Department of Defense (DOD) to get involved, resource

limitations, and legal restrictions. But mounting frustration with the failures of the drug war in the early 1980's led to rising political pressure to expand the role of the military. Supporters from all across the political spectrum pushed for a greater military role in source and trafficking countries in Latin America and in domestic anti-drug efforts. Congressional leaders sought to increase the resources available for military interdiction at U.S. borders and on the high seas. Advocates called for military involvement in interdicting shipments and apprehending smugglers as well as deploying overseas to stop drug production and processing at their source.<sup>55</sup>

The justification for using the military in this unorthodox way was that drug trafficking was a major threat to national security. Politicians reasoned that the illegal drug trade was an especially insidious form of foreign invasion that warranted full-scale mobilization.<sup>56</sup> A member of the House Armed Services Committee, Rep. Nicholas Mavroules, argued that this was not such a new role for the military since, "...preserving the integrity of our territory and air space has been something that we looked to the military to do." Congressman Mavroules then expressed his disappointment with the determined opposition of the DOD. Paraphrasing a phrase coined by First Lady Nancy Reagan he claimed the nation would be better served if the military devoted as much energy and intellect to getting on with their new job as they did to "just saying no."<sup>57</sup>

Those against using the military in the war on drugs (including the DOD) argued that the military could never halt the flow of drugs into the U.S. in the first place and that this new mission had potentially harmful side effects. Senior DOD officials maintained that while military interdiction might raise trafficker's risks and costs, the only effective way to reduce the flow of drugs into the country was to reduce the demand. Opponents were afraid that assuming an additional drug mission would impair readiness. They were concerned that the new role would weaken the forces' ability to accomplish their primary missions: defending against a foreign nuclear or conventional attack and projecting military power abroad according to U.S. national interests. Additionally, senior officials felt the military did not have the required training or expertise to be involved in law enforcement activities. Finally, the opposition warned that the U.S. should avoid exposing the armed forces to the corruption inherent in the drug trade. Opponents argued that committing the military to the drug war would result in corruption problems similar to those with which Latin American militaries have been plagued with for many years.<sup>58</sup>

Undaunted by protests from the DOD, members of Congress enacted laws mandating the involvement of the armed forces in the war on drugs. In 1981 Senator Sam Nunn led a bi-partisan effort to amend the 1878 Posse Comitatus Act, which specifically prohibited the use of the armed forces to execute laws.

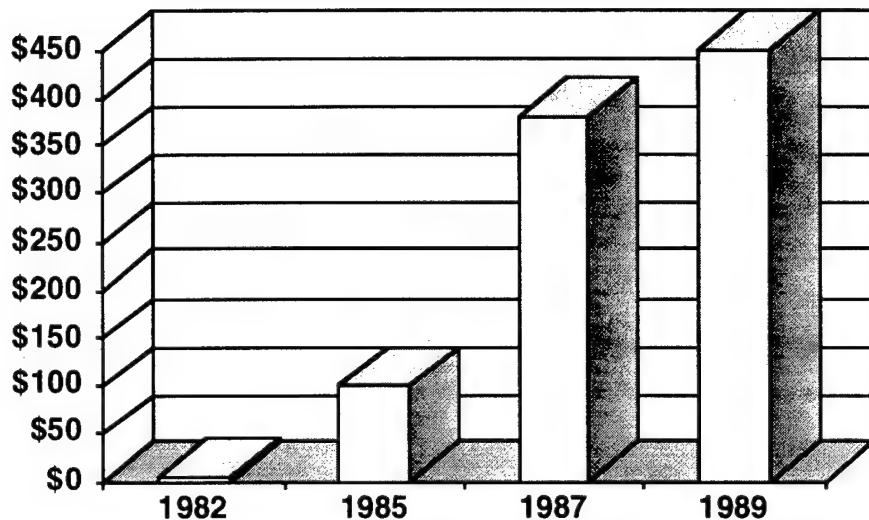
The Nunn amendment authorized the military to:

- (1) share drug related intelligence with civilian officials
- (2) lend military equipment to law enforcement agencies
- (3) train civilian personnel to operate and maintain the equipment
- (4) make military facilities available to federal agents.

Congress also approved large increases in the military budget earmarked for use in drug interdiction support. In April of 1986, President Reagan issued a National Security Decision Directive which declared drug trafficking a "lethal" threat to U.S. national security. This set the stage for the rapid expansion of the role of the military during the mid to late 1980's.<sup>59</sup>

Figure 6: Funding for Department of Defense Anti-Drug Activities (\$ Millions)

Source: Smith, 1992, pp. 131, 137



Military participation in the drug war expanded during Reagan's second administration as a result of this legislation as well as an ever increasing budget (see Figure 6). Certain rules did govern the military's involvement overseas. The military had to be invited by the host government. Operations conducted by military forces had to be directed and coordinated by U.S. civilian agencies. Finally, the role of the military was limited to "support functions." One example of military involvement overseas was Operation Blast Furnace conducted in July of 1986 in Bolivia. During this operation, six army helicopters provided air transportation and communications support to Bolivian police forces and DEA agents assigned to locate and destroy cocaine laboratories. The operation was partially successful. Coca prices fell in Bolivia and remained at record lows

during the four month exercise. However, there was no apparent effect on the availability of cocaine in the U.S. and prices in Bolivia rebounded to pre-operation levels shortly after the departure of the American forces. Additionally, the Bolivian government was severely discredited for allowing the U.S. forces to intervene. Harsh nationalist criticism continued long after the U.S. forces had left.<sup>60</sup>

The most significant military contribution to the drug war turned out to be providing intelligence to law enforcement agencies. In 1988 the U.S. armed forces flew over 28,000 hours of surveillance missions to detect smuggler movements and report their activities to civilian agencies. To catch smugglers on the high seas, Coast Guard personnel were stationed on Navy ships. These Coast Guard Tactical Law Enforcement Teams were responsible for search, seizure, and arrest of drug smugglers that were found along the ships' route. Coast Guard ship days logged in support of this mission totaled over 2,000 in 1988. The military also conducted several joint operations gathering and passing intelligence information to the U.S. Customs Service. Finally, law enforcement officials attended military schools in such areas as language training, survival skills, and map reading.<sup>61</sup>

In 1989 the DOD was formally given responsibility for certain drug-related missions under the DOD Authorization Act. Under this law, DOD was made the lead agency responsible for detection and monitoring of aerial and

maritime drug smuggling threats to the U.S. Additionally, the DOD was directed to integrate U.S. command, control, communications, and technical intelligence assets dedicated to drug interdiction into an effective network. Finally, the military was directed to oversee a program of increased involvement of the National Guard (under the direction of state governors) in the battle against drug smuggling. Despite policy changes throughout the 1980's, in 1989 the DOD was still quite reluctant to embrace the new missions. This is evidenced by the tone of the opening statements from congressmen testifying at a hearing of the House Armed Services Committee. Rep. Larry Hopkins, a member of the committee, told the military members gathered before the panel "...we are serious about your active role in this war on drugs, even if it means we have to drag you kicking and screaming every step of the way."<sup>62</sup>

Making the military responsible for certain missions in the drug war took some of the burden off of law enforcement agencies and allowed them to concentrate on seizure and arrest activities. However, the military did encounter various problems associated with their new role. First of all, as one Air Force General pointed out, "There is no practical way the Armed Forces of the United States can seal our borders."<sup>63</sup> Also, the civilian agencies could not mobilize sufficient personnel and equipment to follow up on intelligence information in a timely manner.

In addition to these problems, rivalries between different agencies arose concerning authority, resources, and missions. U.S. Navy ships only deviated from course if a suspected vessel was spotted, so critics charged Coast Guard personnel wasted a great deal of time on conventional naval maneuvers.

Bottlenecks in the military supply system prevented key assets from reaching civilian agencies. Marine Lieutenant Colonel Oliver North leaked DEA photos showing Sandinista involvement in cocaine trafficking and exposing DEA operations in Nicaragua. The CIA withheld data from law enforcement officials fearing it would compromise their sources. The officials were put in a difficult situation because they could not use classified information to prosecute drug traffickers in court.

William Gately, author and police officer, complained that inserting the military into the drug war only complicated an already complex issue. His opinion was that military assistance was “inconsistent and of little help.” He charged that the military’s inexperience with law enforcement issues hindered its effectiveness. Lt. General Thomas Kelly, U.S. Army Director of Operations, testified in April of 1989 about the difficulties of integrating the operations of the two organizations. “We’re learning to work with the law enforcement agencies, and there’s difficulty in doing that and it’s a cultural difficulty on our part.” He went on to point out that the military was not used to thinking in terms of going to court, as police officers were. To illustrate the cultural differences he gave this analogy: a policeman and an infantry soldier are told to clear the “bad guys” from

a room full of civilians. The policeman's approach would involve attempting to kill the criminals without harming the civilians, where the infantryman might flip a grenade through the door.<sup>64</sup>

### **Supply Reduction Efforts in Latin America**

Part of the overall counternarcotics program of the U.S. is to reduce the supply of drugs entering the U.S. Over the years many methods have been tried, most focusing on the cocaine producing regions in the Andean Ridge. Farmers in these regions of Bolivia, Peru, and Colombia grow the coca plant, whose leaves are processed and made into cocaine. Ninety percent of the coca leaf crop is grown in Bolivia and Peru. U.S. programs have tried to reduce or stop cultivation of illegal crops in these countries by using three basic strategies. The first strategy begins with the identification of viable substitute crops for coca leaf. Next, the U.S. provides incentives to coca farmers to grow these legitimate crops instead of coca. The second strategy involves giving training and assistance to national forces to increase the effectiveness of local interdiction and enforcement in the coca-growing regions. The last strategy is manual or chemical elimination of the source plant.<sup>65</sup>

Coca has been grown in the Andes Mountains for centuries and has a traditional cultural significance. The governments of Bolivia and Peru allow some production of the coca plant for traditional and medical needs. These governments

recognize, of course, that most coca leaf is currently grown for illegal purposes and have generally tried to support U.S. efforts to eliminate additional production. This is a pragmatic decision on the part of the Peruvian and Bolivian governments. As discussed previously, foreign assistance is denied to countries that do not fall in line with U.S. counter-drug policies. The approach taken by the U.S. is that laws against narcotics trafficking are a clear deterrent and the focus is on improving enforcement of international and domestic regulations. When the U.S. has worked with security forces to reduce coca production, the media and the public have viewed the efforts as heavy handed and intrusive. Different projects have been tried in different regions according to the conditions in a given host country. Since most coca cultivation occurs in Bolivia and Peru, efforts there have focused on crop eradication.<sup>66</sup>

### **Bolivia and Peru**

Previous source eradication programs worked best when development was combined with enforcement. The most successful projects permitted eradication to occur gradually in conjunction with the emergence of new income opportunities. Some mandatory eradication efforts were suspended in Peru and Bolivia as projects instead focused on identifying alternative crops and encouraging voluntary eradication. One such project, which ran from 1978-1980, targeted the Chapare region of Bolivia, a center of coca leaf cultivation. The Organization of American States (OAS) worked with the government of Bolivia to

develop a strategy for the region. At that time fifty-four institutions were promoting development in the Chapare Valley. The strategy tried to coordinate the efforts of these development organizations. The plan focused on seven developmental areas such as technology transfer, promotion of agroindustry, and provision of agricultural credit. A controversy arose as the developmental strategy was implemented. In the short term, coca production increased along with other economic development activities. However, the OAS felt that over the long term, the only way coca production would diminish was if opportunities existed to earn a reliable income through other activities. In 1980, the State Department funded a coca leaf substitution program. The 1980 coup in Bolivia halted the program. Drug activities escalated under the military regime and when democratic control was restored in 1982, the new government was unable to regain control of the Chapare region.<sup>67</sup>

In 1987 the U.S. Agency for International Development began another program in Bolivia. This program combined crop substitution in Chapare with improved development activities in the surrounding highlands. The goal was to improve economic conditions in the surrounding regions, thereby attracting people away from the coca growing areas. Initially the program was unsuccessful due to understaffing and poor coordination. The Bolivian government began paying growers \$2,000 for each hectare taken out of coca production coupled with access to U.S. sponsored agricultural credit. In 1989, there was a net reduction in the area of coca production in the country, the first reduction in ten years.

Nonetheless, critics of the program charged that it kept coca farmers in the business because they used the money to clear more land and grow coca on new or adjacent land.

In Peru, anti-drug programs were similar to those tried in Bolivia. One difference was the programs started in the early 1980's to eradicate coca plants were halted due to security concerns for U.S. personnel. The *Sendero Luminoso*'s increasing terrorist violence posed a significant threat to DEA agents and other U.S. citizens in rural areas of Peru. U.S. policy then focused on helping Peruvians to destroy coca seedbeds and to conduct more effective law enforcement operations in the region. The State Department spent about \$49 million to construct, maintain, and operate a base in the Upper Huallaga Valley between 1988 and 1993. Although the law enforcement efforts of the base were successful, the U.S. discontinued its support due to budget cuts. Peru has not been able to sustain the previous level of operations due to its inability to absorb the costs of maintaining the base. Anti-drug efforts in Peru have also been hampered by the May 1994 decision that the U.S. would no longer share intelligence information that could be used to shoot down civilian aircraft suspected of drug trafficking.<sup>68</sup>

One of the biggest problems with crop substitution and eradication efforts is that they are inherently slow. Coordination between development and enforcement organizations is critical. If efforts to increase the standard of living

of non-coca growers are combined with efforts to hinder production of illegal crops and coca products, both programs have a better chance of success. The problem is that these two groups often have conflicting goals and philosophies. Development workers take a more long term view of the narcotics problem and focus on the economic and social factors that affect coca production. Enforcement agencies take a short term view and are anxious to begin counter-narcotics operations early in the project. Successful programs have combined these two approaches; phased eradication seems to work best. It has also proven critical to maintain a clear distinction between development and enforcement activities. Organizations attempting to implement development projects often fail if the local population believes they are "in cahoots" with law enforcement personnel.<sup>69</sup>

### **Colombia**

Eighty percent of the processed cocaine sold in the U.S. is chemically processed in Colombia.<sup>70</sup> The U.S. focuses most of its anti-drug efforts in Colombia on disruption of cocaine trafficking. Interdiction in Colombia presents an challenging political problem for the United States. Colombia is not a major producer of coca leaf and, unlike her poorer neighbors, does not rely on developmental funding from the U.S.<sup>71</sup>

In August of 1989 the Colombian government began a massive crackdown on the Medellín drug cartel and its processing network. President Bush, in an

address to the United Nations General Assembly in September of 1989, commended Colombian efforts to "...put the drug cartels out of business and bring the drug lords to justice."<sup>72</sup> The results of the crackdown were impressive and reduced the immediate market for coca leaf. Shortly thereafter the bottom fell out of the coca leaf market and there was a brief disruption of the cocaine trade until processing labs were established in Peru and Bolivia to fill the gap. Eventually, the Cali cartel and other traffickers rebuilt the processing industry in Colombia. Officials, citing the short-lived success of this crackdown, speculate that a massive coordinated effort by the Andean Ridge nations could cause a significant disruption of the supply of cocaine exported to the U.S. Others feel this turn of events only proves that a disruption in the supply of cocaine will only have an effect if the demand is reduced accordingly. Otherwise alternative sources for drug production will develop and the supply of cocaine to the U.S. market will remain virtually unchanged.<sup>73</sup>

A Government Accounting Office (GAO) study done in 1993 pointed out several problems with the implementation of U.S. counternarcotics programs in Colombia. The U.S. had given Colombia \$504 million worth of military, law enforcement, and economic aid between 1990 and 1992. The Colombian government had supported the Andean strategy and increased law enforcement pressure on drug cartels. Despite this cooperation and a large commitment of resources, Colombian-processed cocaine remained widely available in the U.S. The DEA reported that the Cali cartel and other drug smuggling organizations had

filled the void left when the Medellín cartel disbanded. Additionally, the GAO could not determine the overall effectiveness of Colombian anti-drug programs due to lack of data collected by U.S. officials.<sup>74</sup>

The report cited several obstacles to U.S. counternarcotics efforts in Colombia. Funding shortfalls and poor coordination among U.S. organizations hindered the implementation of anti-drug programs. American officials felt that their efforts in Colombia did little to effect the amount of cocaine entering the U.S. market. They maintained that unless the U.S. addressed cocaine demand reduction, interdiction efforts would continue to have limited success. Additional problems in and around Colombia were also cited:

- (1) failure on the part of some Colombian agencies to plan or implement an effective counternarcotics strategy
- (2) increasing insurgency and narcoterrorism activities that prevented Colombia from maintaining a presence in some areas
- (3) the expansion of the cartels into heroin trafficking
- (4) corruption in the Colombian government
- (5) the lack of effective anti-drug programs in other countries.<sup>75</sup>

Francisco Thoumi and other researchers have speculated on various reasons for Colombia's heavy involvement in the drug trade. In "The Size of the Illegal Drug Industry," Thoumi draws several conclusions about why Colombia is the center of the cocaine smuggling industry. One reason brought forth by other

researchers is Colombia's location between the drug producing regions and the large U.S. market. Thoumi rejects this explanation. He argues that because of cocaine's high value per unit volume, neither the distances between the source and the end market nor transportation costs are major considerations. Another possible explanation is the presence of high levels of unemployment, state corruption, and the tradition of smuggling in Colombia. Thoumi rejects this explanation as well. These factors may be important, but they are also found in other countries (such as Peru) that have a long history of coca production.<sup>76</sup>

Thoumi concludes that a special set of factors (many of which are present in different combinations in other countries) are unique to Colombia as a package. These factors made cocaine production and distribution more likely in Colombia. The four factors are:

- (1) A growing de-legitimization of Colombia's governmental system
- (2) Colombia's internal geography, which contains many isolated regions that provide good locations for illegal activities
- (3) The character of Colombian capitalism, which has always operated on the expectation of very high, short term profits
- (4) The large Colombian migration to the U.S.; these migrants formed the basis for the distribution network of illegal drug exports<sup>77</sup>

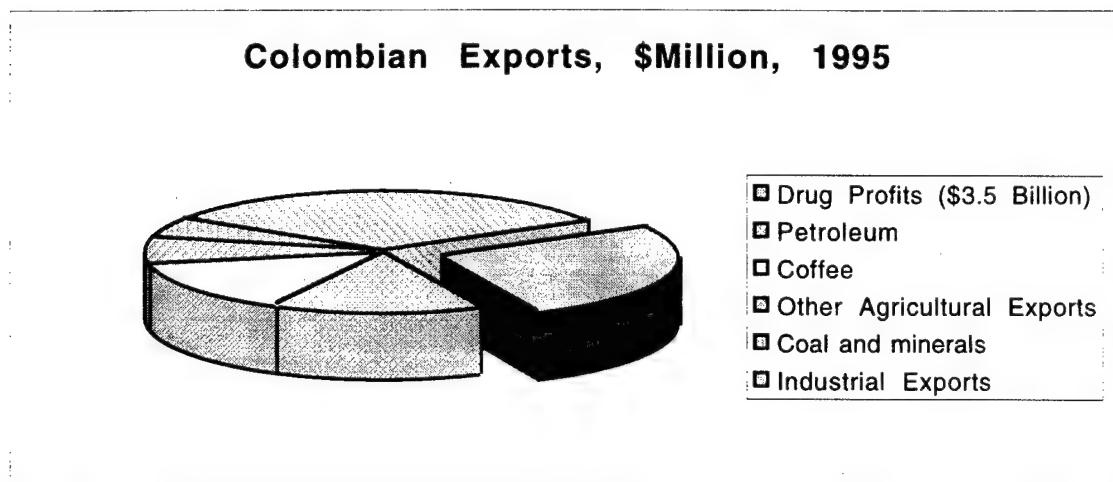
Thoumi has also researched the economic impact of the drug trade in Colombia. Though he recognizes the importance of determining the size of the illegal drug industry, he points out that estimating this figure is very difficult:

The most obvious problem is evaluation of the data. Most data used are weak, obtained indirectly, and gathered using inconsistent and, at times, unclear methodologies. Not surprisingly, any estimates of size or volume for the industry have to be interpreted and used with great caution. Authors who have tried to measure the illegal [psychoactive drug] industry warn their readers about the 'science fiction' nature and the weakness of their estimates.<sup>78</sup>

Some researchers have concentrated their efforts on measuring the volume of illegal drug exports, the revenues generated, and the level of profits gained by drug traffickers. According to these estimates the profits of the Colombian drug industry have fluctuated between \$2 and \$5 billion dollars per year.<sup>79</sup> Using a figure of \$3.5 million in profits, it is clear that the amount of drug-based capital is quite large relative to the Colombian economy (see Figure 7 next page).

Figure 7. Drug Profits Equal More Than 25% of All Other Colombian Exports Combined.

Source: "Country Profile: Colombia," *The Economist Intelligence Unit*, 1997, p. 49.



Export	\$million	Percentage
Drug Profits	3,500	27 %
Petroleum	1,800	14%
Coffee	1,800	14%
Other Agricultural Exports	1,000	8%
Coal and Minerals	600	5%
Industrial Exports	4,300	32%

J.M. Arango has argued that trade in narcotics has benefited Colombia. He suggests that the growth of the cocaine trade halted the social and political deterioration that occurred in Colombia following de-industrialization and provided economic support to an economy in crisis. Additionally, he claims the drug trade opened new channels for upward mobility to marginalized groups in society.<sup>80</sup>

Thoumi and other researchers have concluded that the overall impact of the drug trade on the Colombian economy has been more negative than positive. The drug trade has:

- (1) Led to the re-valuation of the currency, contributing to the decline of some of Colombia's traditional industries
- (2) Promoted speculative investments and diverted investment into socially unproductive, low-yielding enterprises (chosen because of their utility in laundering illegal profits instead of profitability)
- (3) Created a climate of violence stimulating domestic capital flight and discouraging foreign investment<sup>81</sup>

### **Brazil, Ecuador, and Venezuela**

In addition to reducing the flow of drugs from the Andean Ridge nations, U.S. drug strategies have also addressed drug trafficking in other Latin American

countries. Programs focused on increasing the anti-narcotics enforcement capabilities of institutions in the countries surrounding the Andean Ridge. The U.S. placed a high priority on trafficking problems in these South American countries because of their potential to become large-scale coca growers. A study was done by the U.S. General Accounting Office in 1992 to determine the effectiveness of anti-narcotics activities in Brazil, Ecuador, and Venezuela.

The outcome of this study was similar to the GAO study on Colombia mentioned above. Investigators could not determine the success of programs due to the lack of reliable information. Officials believed that drugs as well as precursor chemicals were shipped through these surrounding countries. Money laundering was also a significant and growing problem. The countries had limited resources devoted to the drug problem because of higher national priorities. Another problem confronting these countries was the lack of coordination between national agencies, as well as lack of coordination between the U.S. and host country agencies. Finally, host government corruption was a continuing problem.<sup>82</sup>

### **Central America and Mexico**

In 1993 the U.S. spent more than \$56 million on efforts to curb the flow of drugs through Central America. Although the countries in this region have drug control efforts in place, they are highly dependent on assistance from the

U.S. Central American countries lack the technical, financial, and human resources necessary to operate an effective drug interdiction program. Corruption is also a problem, with instances reported ranging from premature release of those arrested for drug charges to high level involvement of prominent individuals in the drug trade.<sup>83</sup>

Central American countries are primary transshipment points for illicit drug traffic despite various U.S. interdiction efforts. A GAO study done in 1994 stated that drug traffickers had changed their smuggling patterns to evade U.S. air interdiction and were now primarily using sea and land transportation routes. Previously, traffickers had flown drug shipments directly to the U.S. or to northern Mexico where they were transported by trucks across the border. In response to increased U.S.-Mexican interdiction efforts, drugs are now transported over land or on ships to staging areas in Central America and southern Mexico.<sup>84</sup>

Mexico is the primary transit country used by traffickers to transport drugs to the U.S. Almost 6,600 tractor trailer trucks and 211,000 passenger vehicles cross the U.S.-Mexican border each day. Customs officials estimate that two-thirds of all cocaine crosses the border concealed in cargo. Although the Mexican law enforcement community is aware that Mexico is a major transshipment point for illegal drugs, it only has a limited ability to respond to the problem. There is no system in place to detect smuggling aircraft entering Mexican airspace and the

only method available to police to interdict suspect aircraft is to dispatch a vehicle to the landing site.<sup>85</sup> The U.S. spent approximately \$237 million on narcotics control assistance to Mexico between 1975 and 1992. Most of the resources went to aerial eradication of marijuana and opium poppy.

U.S. policy makers have had concerns about the Mexican government's commitment to combating drug trafficking for many years. Mexican police officers kidnapped, tortured, and murdered one DEA agent in 1985 and kidnapped and tortured another agent in 1986. Additionally, seven Mexican drug agents were killed in 1991 in a shoot-out with Mexican Army personnel who were protecting a landing strip for drug traffickers. Over the last two decades various half-hearted attempts have been made by the Mexican government to decrease trafficking in Mexico, but the corruption that seems to permeate all levels of society has allowed drug traffickers to circumvent most of these efforts.<sup>86</sup>

Overall, many Latin American efforts to curb illicit drug trafficking are lacking. Most do not have comprehensive anti-drug programs. Substance abuse in Latin America, while still only a fraction of the drug consumption of the U.S., is a growing problem especially among the young. In Mexico and Brazil inhalants, glue, and gasoline are abused by millions of street children. In the Andean countries cheaper, more dangerous cocaine products such as *basuco* (an unrefined coca derivative containing chemical impurities such as kerosene) are consumed by poverty-stricken adolescents. Only minimal resources are devoted

to this problem. Latin American treatment, education, and prevention programs are practically non-existent and less than one percent of the \$500 million spent by the U.S. in 1992 addressed demand reduction in Latin America.<sup>87</sup>

### **Policy Recommendations**

Many Latin American nations have not taken the legal and administrative actions necessary to stop money laundering activities and corruption. The countries of Latin America are not meeting their obligations under their own laws or under the 1988 Vienna Convention, where nations pledged to work together to seize and forfeit the assets of drug traffickers. There is a need for institutional reform in the law enforcement arena. Latin American nations need better trained, better compensated, more professional police forces with specialized police narcotics enforcement authorities. The process of punishing criminals must also be reformed to make the judicial system more vigorous. Mark Kleiman, a professor at Harvard University, suggests, "At minimum, it must be made possible in most of Latin America to move through the system faster a criminal case against somebody significant, without direct intervention from the president."<sup>88</sup>

Latin American military involvement in the war on drugs has been problematic. Critics charge that military involvement tends to increase drug related violence and human rights abuses. In the long run it can also threaten the

stability of fragile democracies. However, in many cases police are overwhelmed by the logistics of reaching drug production areas. The military can support police operations in outlying areas as well as provide security in areas of insurgency allowing police operations to go forward. Such support can be especially helpful in Colombia and Peru, where insurgency and drug trafficking take place in the same areas. Some say Latin American militaries should only be used as a stop-gap measure until professional police drug task forces can be built and trained. At a minimum, governments should have clear objectives for military involvement and must manage corruption within national enforcement efforts to avoid incidents like the one mentioned previously where agents in Mexico were killed by corrupt members of the army.<sup>89</sup>

### **Demand Reduction Methods**

Many U.S. policy analysts and Latin American leaders rightfully complain that counter-narcotics efforts undertaken outside of the boundaries of the U.S. cannot be successful without a reduction of consumer demand within the U.S. Less than two percent of the money spent by the U.S. government for the projected FY 1995-1997 budget was directed toward demand reduction and drug awareness programs.<sup>90</sup> American consumption of illegal drugs is the largest in the world: 60% of all illegal drugs produced are used in the U.S. According to the report of the White House Conference for a Drug Free America:

So long as the United States provides such a lucrative market for illicit drugs, no amount of Federal resources will be enough to stem the flow of

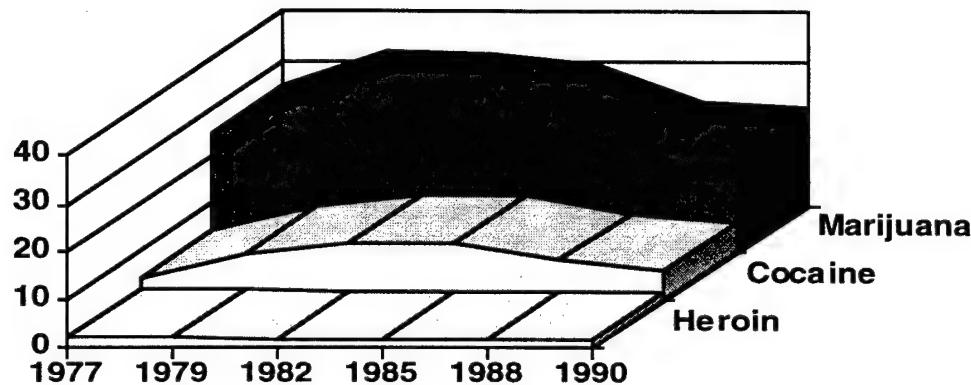
illicit drugs from foreign lands. The long-term permanent solution is reduction in the demand for illegal drugs by Americans.<sup>91</sup>

Peter Smith, a professor at the University of California in San Diego, expressed a similar view: "The North American appetite for drugs is both the key to the problem and the basis for progress."<sup>92</sup> Although responsibility for stopping (or never starting) drug abuse ultimately rests with the individual, the drug abuse problem is largely a societal issue.

According to surveys done by the National Institute on Drug Abuse, the estimated number of regular users (those who used illegal drugs in the last month) declined by half from 1985 to 1991 (see Figure 8 next page). What caused this decline? Many say it was a result of education efforts aimed at increasing awareness of the health hazards associated with drug abuse. Some credit prevention programs such as the "Just Say No" campaign begun by first lady Nancy Reagan. Skeptics deny the effectiveness of education and prevention programs, saying there is no evidence that programs aimed at persuading people not to use drugs have any effect. They claim attitudes shifted toward wholeness in the late 1980's and the reduced demand for drugs was inspired by this effort to maintain a more healthy lifestyle.<sup>93</sup>

Figure 8: Number of Illicit Drug Users in the United States (Millions)

Source: Tullis, 1991, pp. 4-38.



Most experts agree that more research is needed on effective means to prevent drug use and rehabilitate addicts. More research should also be done on the social conditions that draw people, especially young people, to drug abuse. Many suggestions have been made on how best to reduce the demand for drugs. Experts call for publicly funded programs for youth with drug problems, especially those who have dropped-out of school. Additionally, programs should target women of child bearing age, who are at risk for contracting and spreading AIDS as well as giving birth to drug-impaired infants. Finally, drug treatment should be offered in all penal systems. In 1991, less than ten percent of federal prisons in the U.S. had residential drug treatment programs.<sup>94</sup>

Over 1.1 million people were in treatment programs for drug addiction in 1994.<sup>95</sup> While politicians appear to be getting "tough" on drug crime when they increase resources devoted to law enforcement, demand reduction through treatment has not been a popular solution to the drug problem. Treatment for drug addiction is a complex process, and often successful methods are as varied as the causes of the addiction itself. Societal factors play a key role in an addict's ability to stay off drugs. While a good job or a stable family life will not cure a conventional disease, these things can have a huge impact on the successful treatment of addiction.<sup>96</sup>

Treatment programs vary from in-patient detoxification centers, to out-patient centers that provide counseling, to methadone maintenance programs for heroin addicts. Some skeptics doubt that expensive treatment programs are any better than giving an addict the phone number for the local Narcotics Anonymous group. Naya Arbiter, a juvenile addiction treatment expert, reports that the length of stay in a treatment program is proportional to success:

If we can get someone to go into a treatment setting and stay for at least a year, the chances in a five year follow up of that person being employed, successfully completing probation and parole, with no drug use, and with consistent relationships are better than 75 percent.<sup>97</sup>

The problem is that the demand for treatment programs far exceeds the programs available. According to the U.S. Office on National Drug Control Strategy, current rehabilitation programs only provide one-third of the placement slots necessary for those seeking treatment for drug addiction. Many experts complain that current programs have failed to deal effectively with inner-city drug abuse by

hard core addicts, many of whom are in the criminal justice system. Most addicts in the inner city do not have insurance and cannot afford treatment on their own. People seeking treatment often wait three to four months, with hundreds of people on the waiting lists. In big cities the problem is even worse, with waiting lists containing over a thousand names and a nine-month average waiting time.<sup>98</sup>

The societal costs of drug abuse in poverty stricken regions of the U.S. are particularly acute. The example of the cost of care for babies born to mothers addicted to cocaine is particularly illustrative of the expense of drug abuse in poor communities. In 1990 it was estimated that 100,000 babies would be born addicted to cocaine. It will cost \$4 billion to bring these children to a point where they can enter kindergarten. Ten percent will need special education, which will cost \$2.5 billion. Historically, half of these children require foster care at some point in their lives at a cost of \$1.5 billion. Tragically, a percentage will commit crimes resulting in incarceration. Almost \$3 billion will be spent on them in the juvenile and adult criminal justice system. In total it will cost the U.S. over \$10 billion dollars over the course of those babies' lifetime to compensate for the damage done by drugs absorbed while in the womb.

## **Conclusion**

Illegal drug use is a persistent problem that will continue to require a significant, coordinated effort from institutions in the United States as well as overseas for years to come. Though Americans are concerned about the problem of drug abuse, public and private resources are limited. Additionally, a great deal of the limited public resources devoted to counter-narcotic efforts go toward politically visible supply reduction efforts that are largely ineffective. Involvement of Latin American militaries in the drug war has left the military more vulnerable to corruption and has threatened the delicate balance of power between civilian and military institutions. In the U.S., persistent congressional and executive pressure in the 1980s forced a reluctant military into the fray of the drug war. Although the U.S. enjoys a long history of civilian control of the military, the question of whether or not the armed forces should be involved in the drug war did cause considerable friction among policymakers. As a result of their new mission, the military has had to learn to cooperate with civilian law enforcement organizations. The participation of the U.S. military in the drug war has had mixed results. Assistance with surveillance and intelligence sharing has contributed to the effectiveness of drug enforcement efforts and should continue. Interdiction efforts overseas have not met with success and have received a great deal of negative publicity in places like Bolivia. Military involvement in these operations overseas should be discontinued.

One effective technique of the war on drugs has been to strengthen street level drug law enforcement by directly attacking the criminal networks that produce and traffic in drugs. Also, demand reduction efforts such as treating the victims of drug abuse and providing education on the health risks of drug abuse have proven to be effective. The government must shift its emphasis from interdiction to demand reduction. More resources should also be devoted to law enforcement. Despite the large body of research advocating more demand reduction efforts, less than 2% of the counter-narcotics budget for 1996 went toward drug awareness and demand reduction.

As pointed out by many Latin American nations, supply reduction efforts will continue to be only marginally effective until the problem of demand is effectively dealt with in the United States. Although drug abuse has decreased among middle class users, the U.S. continues to neglect the problem of hard core addiction in the inner city. The drug trade has a significant impact on the economy of Colombia. It also is a large drain on the public and private resources of the U.S. The costs in terms of loss of human capital and lower productivity are sizable. Until decisive measures are taken to reduce the demand, winning a victory in the war on drugs will likely elude U.S. policy makers for years to come.

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<sup>1</sup> Mathea Falco, "Policies and Prospects for Demand Reduction," in Drug Policy in the Americas, edited by Peter H. Smith, (Boulder: Westview Press, 1992), p. 217-218.

<sup>2</sup> William Weir, In the Shadow of the Dope Fiend: America's War on Drugs, (North Haven, CT: Archon Books, 1995), pp. 135-140.

<sup>3</sup> U.S. Department of State, Narcotics: Threat to Global Security, U.S. Department of State Policy no. 1251, (Washington DC: State Department Bureau of Public Affairs, February 1990), p. 1.

<sup>4</sup> David W. Rasmussen and Bruce L. Benson, The Economic Anatomy of a Drug War: Criminal Justice in the Commons, (Lanham, MD: Rowman & Littlefield Publishers, Inc., 1994), pp. 2-4.

<sup>5</sup> William O. Walker, III, "Introduction: Culture, Drugs, and Politics in the Americas," in Drugs in the Western Hemisphere: An Odyssey of Cultures in Conflict, edited by William O. Walker, III, (Wilmington, Delaware: Scholarly Resources Inc., 1996), p. xiii.

<sup>6</sup> Walker, pp. xv-xvi.

<sup>7</sup> Arnold S. Trebach, The Great Drug War, (New York: Macmillian Publishing Co., 1987), p. 150.

<sup>8</sup> Walker, p. xvii.

<sup>9</sup> Walker, p. xvi.

<sup>10</sup> Walker, pp. xvi-xvii.

<sup>11</sup> Walker, pp. xvii-xviii.

<sup>12</sup> Walker, pp. xviii-xix.

<sup>13</sup> Walker, p. xix.

<sup>14</sup> Walker, pp. xix-xx.

<sup>15</sup> Walker, p. xx.

<sup>16</sup> Walker, p. xx-xxi.

<sup>17</sup> Walker, p. xxi.

<sup>18</sup> Alfred W. McCoy and Alan A. Block, ed., War on Drugs: Studies in the Failure of U.S. Narcotics Policy, (Boulder: Westview Press, 1992), p. 179.

<sup>19</sup> Trebach, p. 150.

<sup>20</sup> William Gately and Yvette Fernández, Dead Ringer: An Insider's Account of the Mob's Colombian Connection, New York: Donald I. Fine, Inc., 1994), p. 2.

<sup>21</sup> Executive Office of the President, Office of National Drug Control Policy, Internet, "Drug Facts and Figures," (Available: [www.whitehousedrugpolicy.gov/](http://www.whitehousedrugpolicy.gov/), 11 November 1997).

<sup>22</sup> Weir, p. 142.

<sup>23</sup> Robert B. Charles, "We Must Dig in Anew, Fight to Win the Drug War" Portland Press Herald, 27 April 1997, p. 1C.

<sup>24</sup> U.S. General Accounting Office, The Drug War: Extent of Problems in Brazil, Ecuador, and Venezuela, General Accounting Office Policy no. B-248633, (Washington D.C.: GAO Superintendent of Documents, 1992), p. 2.

<sup>25</sup> The White House Conference for a Drug Free America Final Report, (Washington D.C.: U.S. Government Printing Office, June 1988), p. 132.

<sup>26</sup> International Narcotics Control Strategy Report (INCSR), (Washington D.C.: U.S. Government Printing Office, July 1993), pp. 35-37.

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<sup>27</sup> United States Drug Policy Toward Latin America: The Report of the Inter-American Commission on Drug Policy, No. 194, (Washington D.C.: Woodrow Wilson International Center for Scholars, 1991), pp. 3,32,33.

<sup>28</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 45.

<sup>29</sup> Peter H. Smith, ed., Drug Policy in the Americas, (Boulder: Westview Press, 1992), p. 1.

<sup>30</sup> U.S. Congress, Joint Economic Committee, Doing Drugs and Dropping Out, report prepared for the Joint Committee, (Washington DC: U.S. Government Printing Office, August 1991), p. 16.

<sup>31</sup> U.S. Congress, House, Select Committee on Narcotics Abuse and Control, The Impact of Drugs on American Business and the American Economy, (Washington DC: U.S. Government Printing Office, August 1991), p. 22.

<sup>32</sup> U.S. Congress, Impact of Drugs, p. 22.

<sup>33</sup> U.S. Congress, Impact of Drugs, p. 34.

<sup>34</sup> U.S. Congress, Impact of Drugs, p. 10,18.

<sup>35</sup> U.S. Congress, Doing Drugs and Dropping Out, p. 12.

<sup>36</sup> U.S. Congress, Impact of Drugs, p. 10,18.

<sup>37</sup> U.S. Congress, Impact of Drugs, p. 7-10.

<sup>38</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 3,22,25.

<sup>39</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 3, 12, 24,41.

<sup>40</sup> Bruce M. Bagley, "Myths of Militarization: Enlisting Armed Forces in the War on Drugs," in Drug Policy in the Americas, edited by Peter H. Smith, (Boulder: Westview Press, 1992), p. 133.

<sup>41</sup> U.S. Congress, House, Select Committee on Narcotics Abuse and Control, Save Our Youth, (Washington DC: U.S. Government Printing Office, 25 September 1992), p. 17.

<sup>42</sup> Gately, pp. 33,9, and Weir, p. 142.

<sup>43</sup> INCSR, p. 40.

<sup>44</sup> INCSR, pp. 55,56.

<sup>45</sup> Smith, p. 11.

<sup>46</sup> Trebach, p. 151.

<sup>47</sup> Trebach, p. 151.

<sup>48</sup> Gately, p. 5.

<sup>49</sup> Trebach, p. 151.

<sup>50</sup> Drug Free America Final Report, p. 53.

<sup>51</sup> Trebach, p. 335.

<sup>52</sup> Gately, p. 3, and Drug Free America Final Report, p. 132.

<sup>53</sup> Rasmussen and Benson, p. 12.

<sup>54</sup> Trebach, p. 151.

<sup>55</sup> Smith, pp. 129, 131.

<sup>56</sup> Smith, p. 129.

<sup>57</sup> U.S. Congress, House, Committee on Armed Services, Military Role in Drug Interdiction, H.A.S.C. no. 101-2, (101st Cong., 1st sess., 22 February 1989), pp. 2,3.

<sup>58</sup> Smith, p. 130.

<sup>59</sup> Smith, pp. 130, 131.

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<sup>60</sup> Smith, pp. 135, 136.

<sup>61</sup> Smith, p. 132, and Military Role in Drug Interdiction, no. 101-2, p. 3.

<sup>62</sup> Military Role in Drug Interdiction, no. 101-2, p. 2, 4.

<sup>63</sup> Weir, p. 143.

<sup>64</sup> U.S. Congress, House, Committee on Armed Services, Military Role in Drug Interdiction, H.A.S.C. no. 101-5, (101st Cong., 1st sess., 18 April 1989), p. 8.

<sup>65</sup> U.S. Congress, Office of Technology Assessment, Alternative Coca Reduction Strategies in the Andean Region, OTA-F-556, (Washington D.C.: U.S. Government Printing Office, July 1993), pp. 81,183.

<sup>66</sup> Coca Reduction Strategies, OTA-F-556, pp. 81-84.

<sup>67</sup> Coca Reduction Strategies, OTA-F-556, pp. 84-85.

<sup>68</sup> U.S. General Accounting Office, Drug Control: U.S. Antidrug Efforts in Peru's Upper Huallaga Valley, General Accounting Office Policy no. B-258650, (Washington D.C.: GAO Superintendent of Documents, 1994), pp. 1,3.

<sup>69</sup> Coca Reduction Strategies, OTA-F-556, pp. 96-97.

<sup>70</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 14.

<sup>71</sup> Coca Reduction Strategies, OTA-F-556, pp. 97.

<sup>72</sup> U.S. Department of State. "Outlines of a New World of Freedom, Address by President Bush to the United Nations General Assembly," (Washington DC: State Department Bureau of Public Affairs, November 1989), p. 28.

<sup>73</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 45,15,96.

<sup>74</sup> U.S. General Accounting Office, The Drug War: Colombia Is Undertaking Antidrug Programs, but Impact Is Uncertain, General Accounting Office Policy no. B-244138, (Washington D.C.: GAO Superintendent of Documents, 1993), p. 2.

<sup>75</sup> U.S. General Accounting Office, Policy no. B-244138, pp. 2-4.

<sup>76</sup> Francisco E. Thoumi, "The Size of the Illegal Drug Industry," in Drug Trafficking in the Americas, edited by Bruce M. Bagley and William O. Walker, (New Brunswick: Transaction Publishers, 1994), p. 78-81.

<sup>77</sup> Thoumi, "Illegal Drug Industry," p. 82-89.

<sup>78</sup> Francisco E. Thoumi, "The Size of the Illegal Drugs Industry in Colombia," *The North-South Agenda*, July 1993, p. 1.

<sup>79</sup> Thoumi, p. 14.

<sup>80</sup> Thoumi, "Illegal Drug Industry," p. 77.

<sup>81</sup> Thoumi, "Illegal Drug Industry," p. 77.

<sup>82</sup> U.S. General Accounting Office, Policy no. B-248633, pp. 2-3.

<sup>83</sup> U.S. General Accounting Office, Drug Control: Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs, General Accounting Office Policy no. B-257824, (Washington D.C.: GAO Superintendent of Documents, 1994), pp. 5-8.

<sup>84</sup> U.S. General Accounting Office, Policy no. B-257824, pp. 1-5.

<sup>85</sup> U.S. General Accounting Office, Policy no. B-257824, p. 5, and U.S. General Accounting Office, Drug Control: Revised Drug Interdiction Approach Is Needed in Mexico, General Accounting Office Policy no. B-252506, (Washington D.C.: GAO Superintendent of Documents, 1993), pp. 10-12.

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<sup>86</sup> <sup>86</sup> U.S. General Accounting Office, Policy no. B-252506, pp. 11,31, and McCoy and Block, pp. 177-192.

<sup>87</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 6, 17-20, and Smith, p. 9.

<sup>88</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, pp. 6,15,18,30.

<sup>89</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, pp. 3,22.

<sup>90</sup> INCSR, p. 33.

<sup>91</sup> Drug Free America Final Report, p. 131.

<sup>92</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 11.

<sup>93</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, pp. 11,12,28.

<sup>94</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, pp. 4,12.

<sup>95</sup> Gately, p. 9.

<sup>96</sup> Weir, p. 142, 258-260.

<sup>97</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, p. 38.

<sup>98</sup> The Report of the Inter-American Commission on Drug Policy, No. 194, pp. 29, 39, and Drug Free America Final Report, p. 71.

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## **The Rise and Fall of Manuel Noriega**

*For all its apparent success, this war, like most, was more a result of failed policy than brilliant strategy.<sup>1</sup>*

*Frederick Kempe*

### **Introduction**

On December 20th, 1989, the United States launched an invasion to depose the president of Panama. After his capture, Manuel Noriega was brought to the U.S. to stand trial for drug trafficking charges. He was found guilty of eight out of the ten charges brought against him and was sentenced to twenty years in prison. Frederick Kempe, in his book Divorcing the Dictator, claimed that Noriega “had been a thorn in the side of every American administration since Eisenhower.”<sup>2</sup> In reality, however, the United States had not only recruited Noriega, but had actively cooperated with him for almost twenty years. Several presidential administrations could have taken actions to remove Noriega from power, or at least tried to minimize his repressive policies. Instead, the U.S. maintained close ties with Panama, both sides having their own reasons for continuing the relationship. Perhaps this was the reason Noriega initially doubted the U.S. would ever follow through on threats to remove him from power. Ultimately, his heavy handed repression, fiscal irresponsibility, and blatant threats against Americans living in Panama resulted in a decisive U.S. military action against him.

The U.S. claimed the invasion was carried out to rid the country of drug trafficking and install a democratically elected government. Unfortunately, in reality the U.S. did not follow through on initial efforts to accomplish either of these goals. After the invasion, Panama was left with very few resources to rebuild its economy, much less develop an effective drug enforcement network. Once Noriega was captured, American policy-makers turned to other issues and left the Endara government and the people of Panama to rebuild the nation following the damage caused by Noriega's regime, failures of American foreign policy, and the invasion.

### **The Global Rollback Strategy**

The Global Rollback Strategy was developed in 1989 by Thomas Bodenheimer and Robert Gould. This strategy proposed that the aim of the war on drugs was not to preserve democracy, as many administration officials had claimed. Rather, it was an attempt to legitimize the real U.S. policy in the region: Global Rollback. The strategy holds that U.S. elites are determined to return to a pre-communist world, ultimately eliminate communism, and establish a free-market, capitalist society worldwide. According to this theory, the invasion of Panama was not undertaken to restore democracy, nor was it an effort to stop traffickers from using the country as a drug conduit and a site for money laundering. Instead, the real reason the U.S. invaded Panama was to bring Panama into the sphere of economic, political, and military influence of the United

States.<sup>3</sup> This theory holds that Manuel Noriega had sought full independence from North American foreign policy. The case of Panama is very interesting to examine in light of this theory. It will be possible to see how events in Panama fit into the Global Rollback Theory after a more through examination of Panamanian history leading up to the invasion, as well as U.S. foreign policy in the region during this time.

### **History of Panama**

U.S. foreign policy in relation to Panama began with its birth as a nation. When the Colombian parliament rejected a treaty to transfer a strip of land to the U.S. to build a trans-oceanic canal, the Americans urged Panama to declare its independence. U.S. gunboats off the Pacific and Caribbean coasts of Panama deterred a Colombian force from stopping the secession. On November 18, 1903, fifteen days after becoming a nation, Panama signed a treaty giving the U.S. sovereign control of the Panama Canal Zone in perpetuity. Construction of the canal was completed in August of 1914.<sup>4</sup>

Panama's first constitution was adopted in 1904. By 1919 the Panamanian constitution included provisions for the popular election of a president and a vice president. Panama's early political life was turbulent, with many internal upheavals. Panamanian presidents often had a tenuous hold on power. In 1949 four presidents held office in three months. One issue that grew

in importance was Panamanian resentment of the American presence in the canal zone. At times Panamanian restlessness grew into open rioting. In 1964 rioting broke out over how and where flags would fly in the canal zone. When the protests were finally halted four days later, twenty-one Panamanians and four Americans had been killed. Yet Panama had avoided many of the problems of its Latin neighbors. It had been at peace for most of its history. By the 1960's it was relatively prosperous with a large and growing middle class. Literacy was high and Panama offered its citizens the best educational opportunity in the region. Panama was a cosmopolitan nation. Its location on one of the world's great trade routes had attracted people from many different backgrounds and ethnic groups. Despite a few ripples of discontent, Panama appeared to be a relatively stable nation.<sup>5</sup>

### **Noriega's Early Life**

Manuel Antonio Noriega was born in the poor neighborhood of Terraplén in Panama City. Despite his humble origins he managed to attend the best public high school in Panama and excelled at his classes. It was in high school that he first was recruited by the Central Intelligence Agency (CIA). He belonged to a socialist youth organization and provided reports to the U.S. on the activities of his leftist comrades. Following high school he aspired to go to medical school but did not have the necessary connections to compete with the sons of the Panamanian elite to obtain an appointment. On the suggestion of a colleague he

decided to pursue a military education abroad. Noriega's half-brother Luis worked in the diplomatic corps and was able to get him a scholarship to the Peruvian Military Academy.<sup>6</sup>

Upon graduation from the Academy in 1962 Noriega joined the Panamanian National Guard and was assigned to Colón.<sup>7</sup> His commander was a man named Omar Torrijos Herrera. Like Noriega, Torrijos had emerged from humble beginnings. He was born in 1929 in the small town of Santiago. His father was a school teacher who had migrated from Colombia. His father's views on social justice and freedom from foreign domination would later have a profound influence on Torrijos when he implemented policies as the leader of Panama. At the age of seventeen, Torrijos ran away from home to attend the military academy in El Salvador. He attended several U.S. army schools both in the U.S. and in the canal zone. At these schools Torrijos received training on counter-insurgency, jungle warfare and leadership and organizational planning training.<sup>8</sup>

Torrijos played a crucial role in Noriega's rapid rise through the ranks of the National Guard. Torrijos was Noriega's mentor and protector, and for the next 5 years ensured that Noriega was transferred with him to subsequent posts. Noriega's career as a lieutenant was less than distinguished. He was not a very professional soldier, barely making it through the U.S. Army Jungle Warfare course. His drinking and brutality towards local prostitutes practically put an

early end to his career. Noriega was twice charged with rape and assault and each time was bailed out by Torrijos.<sup>9</sup>

About the time he got his first post as an intelligence officer in the Chiriquí province Noriega abruptly put his personal and professional lives in order. He met and married his wife, Felicidad Sieiro, and they had their first daughter. The work of an intelligence officer suited Noriega perfectly. Torrijos had finally found the right niche for his protégé. In 1967 Noriega was sent to the School of the Americas and he graduated at the top of his class. The training he received in the U.S. helped him to set up Panama's first serious U.S. intelligence operation at his post in the Chiriquí province. During this time, Noriega was put on the CIA's permanent payroll. It is estimated that the U.S. paid him over \$100,000 some years as a "double agent." In 1966, shortly before Noriega was sent to the School of the Americas, Lieutenant Colonel Omar Torrijos was promoted to the position of Executive Secretary of the National Guard in Panama City.<sup>10</sup>

### The Election of 1968

Arnulfo Arias was one of the most intriguing political figures in Panamanian history. After earning a degree as a medical doctor at Harvard University he gave up medicine for politics. He had helped his brother, Harmodio, take control of the government by force in the early 1930's. He was elected himself in 1940. He was a gifted politician and a modern day *caudillo*.

His program attracted people previously underrepresented in politics who were eager for reforms: urban masses, *mestizo* peasantry, and young technocrats. He promised to end the privilege of the upper class, curb foreign influence, and “purify” the Panamanian race. Unfortunately, Arias showed no restraint and a significant lack of judgment after taking control of Panama. He was thrown out of office in 1941. In 1948 he was elected again. After three years in office, Arias abruptly went on the radio declaring he would dissolve the National Assembly, suspend the Supreme Court, and abolish the Constitution. The next morning, thousands of Panamanians took to the streets and after two days of chaos he was forced out of office once again. After being impeached, Arias served ten months in jail and then returned to his coffee farm in Chiriquí. However, his political career was far from over. Sixteen years later, the Panamanian voters once again elected him president. Once again, his term would be curtailed, but this time under quite different circumstances.<sup>11</sup>

Historically, the National Guard had taken a very active role in Panamanian politics. In 1968 the military supported David Samudio, the candidate of the *Partido Liberal*.. Many guardsmen were surprised when the chief of the military forces, Brigadier General Vallarino, prohibited soldiers from campaigning on the eve of the election. Additionally, Vallarino called off the “*paquetazo*” on the day of the election. The *paquetazo de las actas* involved removing the true voting records and replacing them with documents forged by the National Guard. This action was commonly accomplished as the records were

transported from the polling places to the Board of Elections. Pro-Arias groups demonstrated against the action and caused such a disturbance that Vallarino canceled the *paquetazo* before it was completed. In the wake of the fraud, the election magistrate resigned and Arias supporters were able to control the election board.<sup>12</sup>

### **Events Leading to the October 1968 Coup**

When Arias took office again in October of 1968, it became clear that his primary goal was to undermine the power of the National Guard. He removed most of the general staff via forced retirement. He installed Colonel Urrutia, who had connections with the Partido Liberal, as the head of the National Guard. The officers remaining were to be sent into “diplomatic exile” at foreign posts.<sup>13</sup> It was generally recognized that Lieutenant Colonel Torrijos had generously distributed National guard funds in favor of Arias’s opponent prior to the election. He had also jailed many Arias supporters who were accused of supporting communism. Torrijos was told he would be moved out of Panama to become a military attaché at the Panamanian embassy in El Salvador.<sup>14</sup>

Colonel Boris Martinez was the head of the National Guard headquarters in the Chiriquí province. Various officers who had campaigned against Arias were being intimidated by the new government and appealed to Colonel Martinez for help. Leading political groups in Panama, even some who had previously

supported Arias, were appealing to Martinez to lead a coup.<sup>15</sup> Though Arias had won the election, many in Panama had very little hope that public concerns in Panama would be addressed, much less solved by the Arias administration. The 1960's had been a period of economic growth and Panama's GNP had doubled. But many sectors of the population had not benefited from this growth. The unequal distribution of wealth was compounded by a 25 percent unemployment rate and a 3.3% population growth rate. Panama was a net importer of food, a situation many Panamanians felt was unnecessary given the resources and land available which were currently underutilized.<sup>16</sup>

At the time of the election, Panama had entered a period of slow economic growth. The masses had been protesting against low wages and high unemployment. Sovereignty over the canal zone was another important issue which the oligarchy seemed unable to address. Members of the oligarchy were seriously split over the best course of action to pursue to address these problems.<sup>17</sup> George Priestley, in his book Military Government and Popular Participation in Panama, summarizes the situation in this way:

The Panamanian military came to power in 1968 as a result of a crisis in hegemony. The civilian oligarchy was morally and intellectually bankrupt. It was incapable of containing the social conflict that stemmed from the specific class structure of Panamanian society. And it was impotent in securing the end of the U.S. colonial presence in the Panama Canal Zone.

When news of the military transfers was published in the press, many members of the National Guard were outraged. When Colonel Martinez brought

the matter to the attention of Colonel Urrutia, Martinez was cautioned not to overreact to the changes imposed by the Arias government. Colonel Martinez did not heed the advice of Colonel Urrutia. On October 11, Martinez easily rallied the military against the Arias regime and carried out a bloodless coup. Many sources credit Torrijos with the overthrow of the Arias regime. According to interviews conducted by German Múnoz, however, Torrijos did not play an active role and was told by Martinez to wait at home until the coup was announced.

Torrijos' total detachment from the planning and operation of the coup can be validated by statements of Panamanian President Demitrio Lakas who said he had to put a pistol to Torrijos' head to force him to report to the National Guard Headquarters during the coup.<sup>18</sup>

After the coup a five-man junta was assembled, but Martinez (still the commander of the Chiriquí province) and Torrijos (the new commander of the National Guard) shared control of the government.<sup>19</sup>

Martinez was politically inexperienced and proceeded to enact a series of measures that alienated key support groups in Panama. He lost the support of many sectors of the oligarchy as a result of his policies on agrarian reform. He put prominent members of the upper classes in jail for various offenses and threatened to jail tax evaders. He attempted to eliminate nepotism and halt corruption in the National Guard with a set of reforms that came to be quite unpopular with many who had come to expect such "perks" as a benefit of a military career.<sup>20</sup> In February of 1969 Martinez began to make bold political statements without consulting Torrijos. Torrijos acted quickly, and with the support of the rest of the senior staff, had Martinez arrested and exiled.<sup>21</sup>

### **The Regime of Omar Torrijos**

Torrijos knew his support would not come from the Panamanian elite and that he had to appeal to the lower classes. Of course, the backing of the National Guard itself was a crucial element of Torrijos' hold on power. The city of David as well as the rest of the Chiriquí province were key strongholds for the military-led regime. Torrijos promoted Noriega to Captain and made him the commander of the powerful North Zone, which included the Chiriquí province. He cultivated a base of support from previously excluded civilian groups. He extended government benefits to sectors traditionally ignored by the oligarchs.<sup>22</sup> He initiated many new development programs including improvements in education and health care, construction of roads, the passage of a labor code, and agrarian reform. One of the greatest accomplishments of the Torrijos regime would be the successful re-negotiation of the Panama Canal Treaties in 1978. Unfortunately, these positive steps were accompanied by the elimination of some civilian avenues of participation in politics (such as presidential elections) and increased power for the National Guard. As the power of the National Guard increased, so did corruption. Many officers became even more dependent on business connections to supplement their income. Additionally, Torrijos borrowed heavily to finance his new developmental programs, giving Panama the largest per capita foreign debt in the region.<sup>23</sup>

In December of 1969 two Lieutenant Colonels on the general staff attempted a coup while Torrijos was out of the country. Torrijos got word of the coup attempt and called Noriega to assess the situation. A plan was formulated and Torrijos arranged to fly to David late that night. Noriega ordered his men to position their vehicles along the darkened runway. Once radio contact had been made with Torrijos' plane they turned on all their headlights and lit torches. The plane landed safely and Torrijos was able to re-establish his power via telephone with key units across the country. His loyalists arrested the coup plotters and their attempt to seize power was averted. Torrijos and most of Noriega's garrison set out on a victory caravan to Panama City.<sup>24</sup>

Noriega's loyalty was rewarded in August of the following year when Torrijos promoted him to Lieutenant Colonel and brought him to Panama City to work on the general staff as commander of the intelligence branch. Though he was only 34 years old, Noriega rose to the challenge and developed a reputation as a very professional officer and a hard worker. He began to share information with the intelligence organizations around the world including those of Cuba, Chile, and the Soviet Union. Torrijos began to trust him with important duties outside of intelligence such as arranging weapons purchases with foreign governments.<sup>25</sup>

Once he had firmly established his hold on political power in Panama, Torrijos carefully pursued a number of reforms. He obtained loans from foreign

banks and used the army's manpower to build rural roads, schools, and hospitals.<sup>26</sup> Politically he avoided taking sides; his favorite posture was "...neither with the left, nor with the right, but with Panama."<sup>27</sup> In his book Getting to Know the General, Graham Greene tells of Torrijos' dream for a Central America which would be "...socialist and not Marxist, independent of the United States and yet not a menace to her."<sup>28</sup> Torrijos wanted to form Panama into a robust nation and "eliminate obstacles that were in the way of bringing about the true potential of the Panamanian man by supporting the people with love and respect."<sup>29</sup> He began a campaign to move the Panamanian people toward a stronger sense of national identity. A new emphasis was placed on Panamanian traditions, culture, and history. Several museums were established and other forms of national culture were encouraged such as a national ballet, symphony orchestra, and traditional folk dancing groups.<sup>30</sup>

Shortly after assuming power, Torrijos began to develop alternatives to traditional forms of political representation. The impoverished community of San Miguelito had organized fierce demonstrations, some as large as 6,000 people, to protest military rule in Panama. Torrijos appointed several spokesmen to negotiate with the leaders in San Miguelito and proposed the creation of an experimental district. Under the proposal, San Miguelito was given a degree of autonomy. The district could raise its own taxes and borrow money. It would no longer depend on the district of Panama City for essential services. This experimental district became the blueprint for future representation:

In agreeing to the experimental district in San Miguelito, Torrijos not only neutralized his government's most vocal opposition, but gained an opportunity to put into practice his concept of *junta pueblo-gobierno* rule. The concept, coined by the military, meant military rule with local popular political participation.<sup>31</sup>

The Torrijos government wanted a more manageable political-administrative structure and with this goal in mind created the *Dirección General para el Desarrollo de la Comunidad* (DGEDECOM) to supervise and direct government-run development programs. Additionally the *Corregimiento* was declared the most important unit of government in Panama in 1972. The *Corregimiento* consisted of 505 regionally elected members. The members met in the capitol for one month per year, and were expected to spend the rest of the year working in their respective regions to resolve the problems of their constituents. A legislative council toured the regions during the year and kept the members abreast of upcoming legislation. Members were expected to represent the concerns of their region and could not be affiliated with a specific political party.<sup>32</sup>

The Torrijos regime drafted a new constitution and took other actions to establish communication links between the people and the various levels of government. These policies increased the level of political representation of many Panamanians. One author, Germán Muñoz, claimed in 1981 that "This has been the only Panamanian government to design and implement a massive political and administrative organization directed to mobilizing the Panamanian masses."<sup>33</sup>

Though gains were made by previously disenfranchised groups, it is very important to recognize that the Torrijos regime was highly centralized. There was no real separation of legislative, executive, and judicial powers. Torrijos himself was the source of all political power and the Panamanian National Guard was the most powerful political institution in the country. In the 1972 constitution, Torrijos was given full executive powers for six years. When this period ended, the National Assembly named a new president, but Torrijos still controlled the National Guard and effectively maintained his monopoly on political power.<sup>34</sup>

In addition to implementing various political initiatives, Torrijos also pursued important economic policies. Torrijos realized that the legitimacy of his regime would be enhanced if the new political openings were accompanied by economic policies that created better opportunities and more job security for Panamanian workers. The Torrijos regime was careful, however, not to alienate the private sector. Torrijos realized that the Panamanian oligarchy was a real threat to his hold on political power. Throughout his reforms, Torrijos had to consider the reactions of this wealthy elite.

Torrijos began with a series of fiscal reforms aimed at making public administration more efficient and creating an atmosphere more favorable to international business. He discontinued the policy of import substitution and actively courted foreign investors. He also tried to increase export earnings by stimulating the domestic production of manufactured goods and certain cash crops

like shrimp and coffee. With the goal of turning Panama into an international financial center, Torrijos passed the 1970 banking reform laws which allowed unrestricted movement of money in and out of the country. In 1960 there were only five banks with branches in Panama, by 1976 there were seventy-six.<sup>35</sup>

Although there were economic benefits from the banking reform measures, one unfortunate outcome of this reform was that Panama became a center for drug-money laundering.

Torrijos also attempted to implement limited agrarian reform policies. This was a gesture of reconciliation toward the disenfranchised peasantry. In the past, the National Guard had been used as an instrument of repression against peasant guerrilla groups who had organized against foreign and domestic landowners. Torrijos endeavored to raise the incomes and provide services to people in rural communities, but his larger economic objective was to increase the efficiency of Panamanian agricultural production. Increasing the production of crops benefited Panama in two important ways. Crops grown for domestic consumption would decrease Panama's need to import food. Similarly, cash crops grown for export purposes would help reduce the deficit in Panama's balance of payments.<sup>36</sup>

Torrijos also wanted to broaden the support for his anti-imperialist policies. In this case, the government and the rural workers had a common enemy. Peasant leaders had fought for many years against foreign-owned businesses, and rural communities were strong supporters of the nationalist ideology of the Torrijos regime.

As with his economic reforms, Torrijos was careful to avoid a direct attack on the oligarchy. He, and those members of his government who implemented the agrarian reform plan, continually emphasized cooperation between producers, peasants and landlords. The way the government made available the necessary land and capital for the peasant *asentamientos* reflected the Torrijos' desire to avoid confrontation with the elites. *Asentamientos* were cooperatives where "the land was held on an individual basis but farming and other work was done on a collective basis."<sup>37</sup> The land for these cooperatives was acquired through auction, expropriation (in return for government bonds), donation, and direct purchase. Most was acquired by auction, that is, landowners who were in debt to the government for back taxes gave up their land as a way to pay back what they owed. Additionally, the Agricultural Development Bank was created to allow the poorest peasants to gain capital. This bank was financed by international agencies such as the World Bank and the U.S. Agency for International Development (USAID). The goal of the settlements was to increase agricultural output, improve the standard of living of the peasants, and strengthen the political bonds between the government and the peasants.<sup>38</sup>

Education "reform" was another initiative that began in the 1970's. The reform began with the *Comisión Nacional de Reforma Educativa* which was created to assess the status of the educational system in Panama. The committee published a report which concluded that Panamanian society was dominated by an

elite class devoted to marginalizing large popular sectors. Social problems in Panama were caused by “the internal domination of the rich over the poor and marginalized sector.”<sup>39</sup> Reforming the educational system was portrayed as a step toward rectifying these social injustices. The reform committee advocated a single system of education for Panama that would prepare students to perform agricultural and semi-skilled technical work. Torrijos gained control over the educational system through Article 86 of the Constitution of 1972. Part of the government’s educational reform program included a system of political indoctrination for teachers and students alike. Popular reaction was so intense against this indoctrination that the first teacher’s guide published under this plan, the *Guía del Alfabetizador*, was eventually removed from circulation. Public outcry also prevented the government from extending the reform to private schools.<sup>40</sup>

The majority of Panamanians were against the reforms.<sup>41</sup> Critics contested that the new educational system only prepared the school-age population for vocational occupations, without any consideration of “professional and humanistic preparations which are so critical in a modern society.”<sup>42</sup> Also, the opposition argued that the true purpose of the reforms was to consolidate the power of the government through a single ideological orientation as outlined by guides such as the *Guía del Alfabetizador*. Children learning to read were given books which said “O” was for Omar, “R” was for revolution, “M” was for Marx, and so on.<sup>43</sup>

### **Renegotiation of the Panama Canal Treaty**

Perhaps the most important legacy of the Torrijos regime were the gains made regarding the important issue of sovereignty over the canal zone. Torrijos worked to re-negotiate the 1903 Panama Canal Treaty with the Nixon, Ford, and Carter administrations. These negotiations were long and tedious, with the U.S. offering few concessions in response to Panamanian demands. In the early 1970's the two sides were disagreed on three main issues: the length of the new treaty, when and how jurisdiction over the Canal Zone would be returned to Panama, and whether the U.S. would be allowed to retain a military presence in Panama. In late 1971, Torrijos began to try to intimidate the U.S. by making radical statements to the people of Panama, "If everything fails, Omar will lead you into the Canal Zone."<sup>44</sup> Torrijos outlined his sabotage plan to Graham Greene:

Blow a hole in the Gatún Dam and the Canal will drain into the Atlantic. It would take only a few days to mend the dam, but it would take three years of rain to fill the Canal. During that time it would be guerrilla war; the central *cordilleras* rise to 3,000 metres and extend to the Costa Rican frontier on one side of the Zone and the dense Darién jungle, almost as unknown as in the days of Balboa, stretches on the other side to the Colombian border, crossed only by smugglers' paths. Here we could hold out for two years-- long enough to rouse the conscience of the world and public opinion in the States. And don't forget-- for the first time since the Civil War American civilians would be in the firing line.<sup>45</sup>

In late 1972 the Torrijos administration tried an innovative tactic to speed up the negotiation process and gain international support. Panama invited the U.N. Security Council to hold their next meeting in Panama. The Council accepted the invitation and met in Panama the following spring. During the meeting Panama and Peru issued a Joint Declaration that called for an end to the “unjust situation in the Canal Zone which affects Panama’s territorial unity and the full exercise of its sovereignty and jurisdiction....”<sup>46</sup> Panama drafted a resolution on the issue which came up for a vote on the last day of the meeting. All of the members of the Security Council voted in favor of the resolution except the United States, which voted against it, and Great Britain, which abstained. Panama had effectively used this meeting to gain international support for the Panamanian position on the Canal.<sup>47</sup>

The focus of U.S. foreign policy during the Nixon, Ford, and Carter administrations was aimed at preventing the spread of communism. With this end in mind, the U.S. helped to fund and train a powerful military force in Panama. When the Torrijos regime became more and more militarized and repressive, the U.S. opted to ignore these activities rather than put valuable U.S.-Panamanian relations in jeopardy.<sup>48</sup>

Finally, Torrijos and the Carter administration ratified the final version of the new Canal Treaties in 1978. Torrijos promised to demilitarize Panama as well as begin a 6-year transition to civilian rule. He allowed exiles to return and the

opposition media became active. Panamanian participation in the canal work force increased and the Panamanians planned for the defense of the canal in accordance with the Canal Treaties. U.S. relations with Panama grew even closer.<sup>49</sup>

### **The Rise to Power of Manuel Noriega**

Omar Torrijos died in a mysterious plane crash on July 31st, 1981. Noriega was assigned to investigate the crash and concluded that it was an accident. Although the weather was very bad that night and the pilot of the aircraft was inexperienced, rumors persist that the crash was not accidental. Allegations have pointed to the Cubans, the CIA, and Noriega himself. Following the crash a power struggle for control of the nation ensued. Three forerunners emerged: Colonel Rubén Paredes, Lieutenant Colonel Roberto Díaz, and Lieutenant Colonel Manuel Noriega. The others convinced Paredes to resign as commander of the National Guard and run for President. In August 1983, Paredes retired from military service and Noriega assumed command of the National Guard with Díaz as his deputy. Paredes found it very difficult to win political support outside of the military and withdrew from the race.<sup>50</sup>

As commander, Noriega enlarged and reorganized the National Guard renaming it the Panamanian Defense Forces (PDF). Noriega's regime resisted democratization and under his control the country became even more militarized. He began to extend the influence of the PDF into every aspect of Panamanian

public life. Noriega continued to maintain his close ties with the CIA and other intelligence organizations. He functioned as an indirect diplomatic channel between the U.S. and Cuba. He also helped the Reagan administration by aiding the Nicaraguan *Contras*.<sup>51</sup>

In 1984 elections were held as promised and Noriega's chosen candidate, Nicolás Barletta, became Panama's first elected president in 16 years. He was only elected by a small margin, however, and the military was suspected of manipulating the results. In 1985 Hugo Spadafora, one of Noriega's most outspoken critics, was brutally tortured and murdered. The PDF was implicated in Spadafora's death. After Barletta made a public announcement that he would conduct a thorough investigation of the murder, he was promptly forced to resign from office. The vice-president, Eric Delvalle, became President in September of 1985. Delvalle's weak leadership permitted Noriega to control Panama's political power. Thus having eliminated all serious opposition, Noriega was now firmly in control of the country.<sup>52</sup>

Noriega had a long history of manipulation and corruption, and his new position of strength provided the opportunity to pursue his self-serving interests unencumbered. His methods for acquiring and maintaining a hold on power had included election fraud, forced resignations, intimidation, repression, and murder. Frederick Kempe compares Noriega in power to the Wizard of Oz claiming he "...built a facade that made him seem larger than life. He sat behind it,

manipulating all the levers of power and fury, hoping his true, vulnerable, and troubled self wouldn't be discovered.”<sup>53</sup>

### **U.S. Foreign Policy Toward Noriega**

At first, U.S. policy toward Noriega followed the same pattern as its former dealings with Torrijos. During the early 1980's the U.S. worked with General Noriega and his regime, however corrupt and undemocratic, because other priorities justified close relations with the Panamanian government. These included:

- (1) Continued implementation of the Canal Treaties
- (2) Access to U.S. bases in Panama including intelligence gathering facilities
- (3) Panamanian support for the *Contras*
- (4) A possible post-treaty military base agreement.<sup>54</sup>

The U.S. mostly looked the other way as Noriega consolidated his power and expanded the scope and reach of his regime's corrupt and illegal activities. Canal security and good working relations with the military increased in importance as democratization slipped to the bottom of the agenda.

In 1986 the tide began to turn and public criticism of Noriega increased. This change in public opinion ultimately forced a change in U.S. foreign policy. Evidence against Noriega gathered in the early 1980's by a former U.S. official,

Mr. Norman Bailey, received a wider distribution. In February 1986, the U.S. ambassador to Panama accused Noriega of human rights abuses. The Undersecretary of State for Latin American Affairs, Elliot Abrams, criticized Noriega for involvement with drug traffickers before a senate subcommittee that April. In June, a lengthy article appeared in the New York Times outlining the charges against Noriega.<sup>55</sup> In the following year various U.S. officials decided that Noriega had to be removed and the military regime reformed. In June of 1987 this decision was bolstered when Noriega's second in command, Col. Roberto Díaz, spoke publicly about his first-hand knowledge of the regime's "dirty tricks." Díaz accused Noriega of plotting with the CIA to kill Torrijos. He talked about Noriega's role in the 1984 electoral fraud and about the PDF's direct involvement in the Spadafora murder. Pressure was building for the Reagan administration to take action. The State Department was the first organization to shift their position as the perceived liabilities of working with the Noriega regime outweighed the gains. By the end of 1987, only the DEA still thought it was more valuable to work with him than to remove him.<sup>56</sup>

### **Panamanian Drug Trafficking**

Under Noriega, Panama had become a haven for drug traffickers. He had turned the country into a money laundering center and a conduit for the transshipment of cocaine.<sup>57</sup> Ironically, U.S. intelligence organizations as well as the Drug Enforcement Agency (DEA) had counted him as a valuable asset in the

war on drugs for years. In the end, his “cooperation” was another strategy to manipulate those around him. A lawyer for the Cali drug cartel in Colombia claimed that Noriega was allied with the Medellín cartel, and only provided information to DEA agents on the Cali cartel. In 1985, Noriega shut down a Panamanian bank for money laundering, a first in Panamanian history. The bank was owned by a Cali kingpin. Noriega’s “help” to fight the war on drugs consisted of leading the DEA to his competition, all the while skimming off profits from the lucrative multi-billion dollar drug trade.<sup>58</sup>

Ultimately it was his drug trafficking involvement that gave the U.S. grounds to extradite him to stand trial in Miami. On February 4th, 1988 Noriega and 15 others were indicted by a Federal Grand Jury on multiple counts of narcotics trafficking and related offenses. The U.S. government linked Noriega to the attempted importation of over one million pounds of marijuana during 1983 and 1984. He was also charged with overseeing the laundering of millions of dollars in U.S. currency in Panamanian banks. Finally, he was accused of personally receiving in excess of \$4.6 million dollars in payoffs for assisting and protecting international drug operations.<sup>59</sup> The indictments started a chain of events that led to the invasion of Panama by the U.S. military in 1989.

## U.S. and International Efforts to Oust Noriega

*The dictators in their uniforms and boots can try to stand in the way, but they will be swept aside in time. And then Noriega will be but a bad memory, and Panama will be free.<sup>60</sup>*

*-Lawrence S. Eagleburger*

The indictment was not the administration's first attempt to force Noriega out of power. In fact, Reagan and Bush are criticized for bungling several opportunities to remove Noriega at far less cost than an invasion. By June 1987, the Reagan/Bush administration had resolved to remove Noriega and made at least five attempts to talk or force Noriega out of office before resorting to military action. A *Contra*-style guerrilla group called the "Hugo Spadafora Armed Liberation Front" was encouraged to harass or overthrow the regime during at least two years prior to the start of hostilities. This group was observed taking orders from and conducting joint operations with the American forces immediately following the invasion.<sup>61</sup>

Both the director of the CIA, William Casey, and the chief of the National Security Council, Admiral John Poindexter, had high level meetings with Noriega warning him that the American administration's patience was wearing thin.<sup>62</sup> Richard Armitage, Assistant Secretary of Defense, met with Noriega to communicate that the administration's policy was unequivocal: The U.S. wanted

him to resign.<sup>63</sup> In 1988, the U.S. backed a plan orchestrated by the Panamanian opposition. Delvalle was to publicly fire Noriega while at a meeting of the OAS in Washington D.C. Delvalle ultimately declined to carry out the plan.<sup>64</sup>

Two Panamanian military coups were attempted against Noriega, but the Bush administration passed up both chances to decisively support the coup plotters. Unfortunately, the agreement that Noriega had to be removed from power did not produce a consensus on an effective plan to remove him, or a strategy to support the attempts that were made to oust him. Instead, the situation continued to deteriorate without the benefits of the attention of the U.S. President or an inter-agency consensus on U.S.-Panamanian policy. By not taking action sooner, the U.S. found itself with fewer and fewer options as time wore on and Noriega evaded defeat.<sup>65</sup>

In addition to political pressure, the administration started to impose economic sanctions on Panama in July of 1987. By 1989 the sanctions included:

- (1) Freezing \$56 million worth of Panamanian assets in U.S. banks
- (2) Boycotting imports of Panamanian sugar
- (3) Halting payments of taxes and fees for use of the canal
- (4) Prohibiting commercial trade with Panama
- (5) Prohibiting Panamanian ships from docking in U.S. ports.<sup>66</sup>

The sanctions did not have a noticeable effect on Noriega as most of his income came from illicit trade. However, the U.S. knew the sanctions would have a major impact on the people of Panama and hoped the situation would provoke them to oust Noriega. The sanctions resulted in the loss of \$500 million to the Panamanian economy and a 27% reduction in Panama's Gross National Product (GNP). Panama's economy was struggling even before the sanctions were imposed. In 1978 the Panamanian national debt was \$25 million; in 1987 it was almost \$5 billion. By 1989, the ratio of national debt to GNP was one of the highest in the world. In 1977 the unemployment rate was 8%; it rose to 25% in early 1989, and had swelled to 30% by the time of the invasion in December.<sup>67</sup>

On May 7, 1989, elections were held in Panama. When it was clear that the opposition candidate, Guillermo Endara, was headed for an overwhelming victory, Noriega's electoral tribunal annulled the election. A caretaker president was appointed and all pretense of constitutional rule was discarded as Noriega's thugs beat the opposition candidates during a protest march in full view of television cameras. This turn of events was strongly opposed by the Panamanian people, whose protests were "...met with iron pipes, rifle butts, prison cells, and hired mobs."<sup>68</sup> The opposition grew more powerful and orchestrated economic strikes. The Noriega regime dug in, and in response became increasingly brutal towards the protesters. Countries around the world denounced the human rights abuses taking place in Panama.<sup>69</sup> Repression by Noriega and his supporters as

well as the effects of the sanctions, had pushed the country into a state of economic chaos and political violence.

In the summer of 1989, the Organization of American States (OAS) convened an emergency session, determining that Noriega's abuses threatened the peace of the hemisphere and violated the charter of the organization. It dispatched a mission to Panama consisting of the Secretary General and four foreign ministers from Latin American countries. The mission determined that four conditions must be met to resolve the crisis:

- (1) Noriega must relinquish power
- (2) A transitional government would assume control on September 1, 1989
- (3) New elections should be held as soon as possible
- (4) U.S. measures taken against Panama prior to the crisis would then be lifted.

The delegation tried to reach an agreement with Noriega, but the general refused to comply. In a speech to the OAS in August, Secretary of State Eagleburger correctly pointed out that "...the dictatorship has never been more isolated internally or internationally than it is today."<sup>70</sup>

Dr. Romulo Escobar Bethancourt, Panama's representative to the OAS, began a diplomatic offensive on 24 August, 1989. A loyal political ally of both Torrijos and Noriega, he had helped negotiate the canal treaties. Noriega enlisted Escobar to provide advice on the legal issues of the indictment and to be Noriega's spokesman. Escobar challenged the U.S. to present evidence to the OAS proving Noriega's guilt. Escobar hoped to beat the U.S. at its own game, knowing that most of the evidence was subject to grand jury secrecy prohibitions and that it was a criminal offense to release it before the trial. Additionally, Escobar charged that the U.S. was threatening the enforcement of the Panama Canal Treaties and intervening in the internal affairs of other nations.<sup>71</sup>

On 31 August, 1989, Secretary of State Lawrence Eagleburger defended the U.S. position at a meeting of the OAS. In response to the challenge to present evidence, Eagleburger emphasized that the United States was a nation of laws and that we would not conduct a criminal trial outside a courtroom. Nor would we compromise the ability of the U.S. to prosecute General Noriega by violating his rights as a defendant under the U.S. legal system. However, the U.S. did not keep silent and the text of the indictments was released as well as other evidence of Noriega's abuses of power.

Eagleburger stated that the U.S. had not broken the Panama Canal Treaties and would continue to comply with them as long as Panama held her end of the bargain. He denied that the U.S. was interfering in the internal affairs of Panama,

charging that it was Noriega who had deprived the Panamanian people of their right to self-determination by “stealing” the elections. He appealed to the PDF to “do the right thing” and discontinue backing Noriega. He said it was Noriega, not the U.S., who was responsible for destabilizing the Panamanian military as well as Panamanian society. Additionally, he argued that illegal actions taken by drug cartels and nations that supported them were intervening in the internal affairs of all nations and justified worldwide participation in anti-drug efforts. He labeled Noriega’s actions, and those of other drug trade collaborators, as aggression, referring to the Noriega regime as an “outlaw among civilized nations.”<sup>72</sup>

### **The Canal Treaties and the Defense of Panama**

*It's ours. We stole it fair and square.*<sup>73</sup>

*-Ronald Reagan, referring to the Panama Canal*

The U.S. used the 1978 Panama Canal Treaties to further justify OAS and ultimately unilateral U.S. action against Noriega. The position of the state department was that proper administration of the canal depended on two things:

- (1) Responsibility for canal management, operation, and security should be in accord with the will of the Panamanian people and

(2) A stable internal system reflecting the will of the Panamanian people must exist for that will to be accurately expressed and implemented by the governments of both nations.

Though the state department recognized that the canal was no longer crucial to U.S. military strategy nor to the U.S. economy, it was still serving important military and economic interests. It also contributed to the overall stability and prosperity of world trade, playing a critical role in the development of nations like Chile and Ecuador. Until the canal was turned over to Panama in accordance with the treaties, the U.S. had a right and a duty to protect it.<sup>74</sup>

The state department held that one of the best guarantees of responsible policy toward administering the canal was the fact that a smoothly run canal was crucial to the Panama's national interest. However, the ability to pursue it's national interests (and hence the long term future of the canal) could not be assured in the context of political instability. The U.S. had kept its side of the bargain by gradually implementing policies to increase Panamanian administration of the canal, with the goal of fully turning it over to Panama by the year 2000. On the other hand, the Torrijos regime and subsequent Panamanian governments had not kept their promises to open the political process and move toward a democratically elected government. In fact, Noriega and his military-backed regime had increasingly been using heavy-handed manipulation to maintain their control over the government. This made it impossible for the will of the

Panamanian people to be determined, much less carried out, by the government of Panama. The state department's view was that, in accordance with the treaties, the U.S. had the right and the responsibility to take action to protect the security and the neutrality of the canal.<sup>75</sup>

### **The U.S. Considers Its Options**

After a failed military coup against Noriega in October of 1989, the U.S. government reviewed its policy and decided that not only did Noriega and his regime have to be removed, but the PDF also had to be transformed. The objectives of security and democratization were rejoined and the U.S. resolved to act forcibly to install a civilian government and to restructure civil-military relations in Panama.<sup>76</sup> President Bush replaced General Woerner who was chief of U.S. Southern Command. He brought General Maxwell Thurman, whose nickname was "Mad Max," out of retirement to fill the position. Previous plans for low-scale intervention were shelved and a new plan for an all out invasion was formed.<sup>77</sup> Diplomatic activity increased in November as Secretary of State Baker told the OAS that the principle of nonintervention should not become an excuse for looking the other way. He said that dictators around the world had learned that "...only elections confer legitimacy; only pluralism delivers progress; only democracy promises peace."<sup>78</sup> He encouraged the OAS as the defender of democracy in the hemisphere to denounce abuses and human rights violations occurring in Panama with courage and candor. Echoing Eagleburger's words a

few months earlier, he urged the nations of the OAS to isolate the “outlaw” regime.<sup>79</sup>

By December of 1989, the U.S. was poised to take action and tensions were high. On 16 December, four U.S. Marines stationed in Panama took a wrong turn and ended up at a Panamanian roadblock. One of Noriega’s troops loaded his gun and cocked it. The Marines crashed through the roadblock. Noriega’s men fired at the car as it drove off. One of the marines, Lieutenant Robert Paz, was killed.<sup>80</sup> After reading reports on the confrontation and the subsequent harassment of two Americans who witnessed the event, President Bush resolved to take action saying: “Enough is enough.”<sup>81</sup> Plans for using military force against Noriega and his regime had been created after the failure of the October coup. He called in his top advisors because he was convinced the problem would only grow worse. General Colin Powell, the Chairman of the Joint Chiefs of Staff, who had originally been opposed to military action, changed his mind after reading reports of the Panamanian treatment of American soldiers.<sup>82</sup>

Three possible alternatives were considered. The first was to try to capture Noriega via a surprise commando raid by a special operations team. The team would be supported by conventional troops already in Panama. This option could be accomplished in secret with minimal risk of casualties. However, at this point Noriega was keeping his location secret, and there was no guarantee he could be apprehended. The second option was to use 12,000 U.S. troops already

stationed in Panama to oust Noriega and the PDF. This choice also had the advantages of secrecy and a low casualty risk, but a small force risked a prolonged fight outside Panama City and did not prevent threats to the canal itself. The final alternative was massive force. This meant the greatest risk of military and civilian casualties and the least secrecy, but was the best chance to permanently eliminate Noriega and his allies. General Powell confirmed it was the only way to "guarantee success rapidly." A quick victory would be important to the American public. President Bush did not want to repeat a failed rescue mission like the *Desert One* mission in Iran, nor the mistakes made in the U.S. military action in Grenada. In the end, President Bush made the decision without the consensus of his advisors and opted for massive force saying: "Let's do it."<sup>83</sup>

#### **December 1989: The Invasion of Panama**

Several sources warned Noriega of the invasion. On Sunday evening, December 17th, the Nicaraguan chief of intelligence delivered a warning. The Soviets had spotted increased activity at U.S. military bases and predicted the Americans would act soon. Noriega received the same warning from his Vice Minister of Health who had attended medical school in Moscow and had links to the KGB. Noriega did not take these warnings seriously. The U.S. had cried wolf before and he doubted that President Bush would risk American lives over him. By five p.m. the following day, word reached him from Cuba that C-130 cargo planes were en route to Panama with troops and equipment. He thought the

U.S. would try a limited surgical operation, the first option outlined above. Aware he was the first target and fearing the drug charges, he doubted that he would get a fair trial in the U.S. Though he underestimated the size of the attack force, he very successfully evaded American intelligence efforts to pinpoint his location.<sup>84</sup>

The attack began just after midnight on December 20th in Panama City. U.S. Army armored personnel carriers rolled from the Fourth of July Avenue toward the Panamanian Headquarters building. Prior to their arrival, AC-130 gunships had destroyed the *Comandancia* (the headquarters building of the PDF) in a brutal attack. The shanty town that surrounded the headquarters caught fire. Twenty-one of the twenty-four men in the lead ground element were injured but none were killed. At the time it was the biggest American military operation since the Vietnam War. It was definitely the largest U.S. invasion to target one man so exclusively. U.S. intelligence had failed to locate Noriega so our troops concentrated on destroying military headquarters buildings, command and control facilities, and the military infrastructure itself. Noriega was being entertained by a prostitute at the time of the invasion. He fled in a small compact car and kept moving, seeking shelter in the homes of various friends.<sup>85</sup>

The day of the invasion Thomas Pickering, the U.S. Permanent Representative to the United Nations (UN), made a speech in front of the UN Security Council providing justification for U.S. actions in Panama. He called the

situation in Panama during the previous two years "intolerable." In a speech similar to the one given by Eagleburger to the OAS in August, he traced recent events in Panama including the May elections and the response of the Noriega regime. He stated the U.S. had exercised its inherent right of self-defense, in accordance with Article 51 of the UN Charter, in response to armed attacks by forces under the direction of Noriega. He said the invasion was designed to protect American lives and fulfill the obligations of the U.S. to defend the integrity of the Panama Canal Treaties.<sup>86</sup>

Pickering quoted a speech made by President Bush earlier that day. In the speech, Bush told of Noriega's statement earlier that week, publicly threatening the lives of U.S. citizens in Panama and of Noriega's declaration that the Panamanian government was in a state of war with the U.S. The speech had also reported that Noriega's forces had shot and killed an unarmed serviceman and arrested and harassed two other Americans who had witnessed the killing. Because the 35,000 Americans currently residing in Panama were in imminent danger, the President had ordered the armed forces to protect the lives of U.S. citizens and to "bring General Noriega to justice in the United States."<sup>87</sup>

Pickering said that the U.S. was in compliance with Chapter VII of the UN Charter calling on nations to try to use regional agencies to solve regional problems. He emphasized that unprecedented efforts had been made to solve the crisis within the OAS through diplomatic means and negotiations and Noriega had

turned them all down. He repeated that the U.S. had acted because American lives were in danger and because the U.S. had been unable to fulfill its duty to protect the canal under Article 4 of the Panama Canal Treaties. He stated the U.S. had consulted with the democratically elected leaders of Panama prior to the invasion and received their approval. The U.S. had only resorted to military action after exhausting the full range of alternatives and had made an effort to minimize casualties and damage in Panama. Additionally, the U.S. intended to withdraw its forces from Panama as soon as possible.<sup>88</sup>

Meanwhile, the invasion was progressing better than American planners could have hoped. The military goals of the invasion had been to remove Noriega, paralyze the forces of the PDF, and install a civilian government.<sup>89</sup> The U.S. had installed President Endara at the beginning of the attack. The PDF headquarters in Panama City had been captured, and Panamanian efforts to send in reinforcements had been blocked. The PDF and the para-military “Dignity Battalions” (a motley collection of thugs and unemployed youths hired to control opposition protests) were crippled. Only a few hundred troops actually resisted the American forces; many surrendered or fled. Major General Marc Cisneros, the U.S. ground forces commander, conducted a “telephone war” and convinced most of the local Panamanian commanders to surrender. With Noriega still at large President Bush posted a \$1 million reward for his capture. The PDF had previously formulated a plan in the event of an attack to escape to the hills and move into a guerrilla warfare phase. However, Lieutenant Colonel Luis del Cid

(who was also wanted by the U.S. on drug charges) ended up surrendering the Chiriquí military zone after bargaining with the U.S. He knew his forces had little chance of success and promised his cooperation in exchange for a reduction of the drug charges against him.<sup>90</sup>

### **International Response to the Invasion**

On the diplomatic front, the OAS had issued a resolution on December 23rd in response to actions taken by the U.S. The resolution was unfavorable to the United States; it claimed the invasion went against the principle of non-intervention. Peru withdrew its ambassador to Washington and Mexico and Venezuela declined a visit from Vice President Quayle who wanted an opportunity to “explain” the invasion to them.<sup>91</sup> However, in the text of the resolution, U.S. actions were “deeply regretted” rather than condemned, and several nations abstained from signing the document. Luigi Einaudi, U.S. Permanent Representative to the OAS, responded to the resolution by defending the invasion and charging “It is time this organization put itself on the right side of history.”<sup>92</sup>

Einaudi challenged anyone to deny that the U.S. had not given the OAS many chances to resolve the problem diplomatically. He stated the OAS’ inability to deal with the dictator was highlighted when Noriega defrauded the May elections and the organization was unable to take definitive measures to rectify the situation in Panama . He charged that the failure of the OAS to collectively take

action to force Noriega out of power left the U.S. no choice but to defend its legitimate and threatened interests. Einaudi used the drug war to further justify U.S. actions stating:

There has been a good deal of mention about the fact that General Noriega declared war on the United states a few days ago. But the truth of the matter is that he declared war on my country a long time ago, from the moment he concluded his first deal with the narco-vermin who are wreaking havoc on our city streets and who seek to destroy our nation's most precious resource, its youth.<sup>93</sup>

On the military front, the invasion had gone remarkably well, especially considering its size and that it was launched at night. The campaign had been a success: the U.S. forces had captured key installations and defeated the PDF. Although accounts differ, approximately 23 American and 50 PDF soldiers were killed. The statistics concerning civilians are less reliable. Independent sources estimated the number of civilian casualties to be 300, with as many as 3,000 wounded.<sup>94</sup> Although Noriega was still at large, an American Special Forces team was closing in, they had stormed the house of Jorge Krupnick and missed Noriega by a half an hour. At 2 p.m. on Christmas Eve Noriega telephoned the Papal Nuncio and arranged his asylum at the Vatican embassy.<sup>95</sup>

One aspect of the American invasion that the planners failed to consider was the fact that once the PDF was removed, there was no force to maintain law and order in the streets of Panama. In the aftermath of the attack, hundreds of Panamanians, including members of Noriega's own Dignity Battalions, looted the stores. This caused over half a billion dollars worth of damage.<sup>96</sup> The invasion

itself cost the U.S. government 163.6 million dollars.<sup>97</sup> Their primary target still at large, the U.S. forces resorted to playing loud rock music to force Noriega out of the Vatican Embassy. For President Bush, apprehending the Panamanian dictator was a political necessity. But on the nuncio's recommendation, President Bush, and the rest of the forces amassed in Panama, agreed to wait it out. The nuncio was convinced he could talk the "fallen" man into surrendering himself to the American justice system. Just after nightfall on the 3rd of January their patience was rewarded. Noriega emerged from the Vatican embassy in a neatly pressed uniform with four gold stars on his shoulder boards. Under the watchful eye of General Thurman, a state department official verified his identity and Manuel Noriega was handcuffed and told to board a waiting helicopter. The central goal of the invasion had finally been met.<sup>98</sup>

### **Legacies of the Invasion**

*The United States is eager to work with the Panamanian people in partnership and friendship to rebuild their economy. The Panamanian people want democracy, peace, and the chance for a better life in dignity and freedom. The people of the United States seek only to support them in pursuit of these noble goals.*

*President George Bush*

After the invasion, the U.S. policy toward Panama focused on supporting the newly installed civilian government and on aiding Panama's economic recovery. Congress passed the Urgent Assistance for Democracy in Panama Act in February of 1990. Under the provisions of this act, the U.S. normalized relations with Panama and began to help the new government in several key areas such as reopening commercial opportunities, repairing the country's infrastructure, constructing housing, and generating employment. Approximately 20,000 Panamanians were left homeless by the invasion.<sup>99</sup> The U.S. temporarily housed those displaced by the invasion in airplane hangars. Some moved on their own initiative to live with relatives or in squatter settlements. Some waited until U.S.-funded housing was built in the outskirts of the Panama City and on land that was formerly part of the U.S.-controlled Canal Zone. The new locations often left people far away from access to jobs, education, and their former communities. Each family made homeless by the invasion received \$6,500 or the housing equivalent and \$800 to replace belongings and furniture.<sup>100</sup>

In the two years before the invasion, manufacturing in Panama had dropped by 25%, construction by 60%, investment was down 50%, and the overall Gross Domestic Product was down 27%. Panama had serious debt problems and owed over a billion dollars to creditor nations, commercial banks, and international financial institutions. As mentioned previously, U.S. sanctions had damaged the Panamanian economy and import revenues had gone down by \$500 million since 1987. A few months after the invasion, unemployment was

estimated at 25%. Panama used U.S. currency and therefore did not experience the high rate of inflation that other nations with similar fiscal problems were combating. Other positive factors were Panama's experienced private business sector and a high literacy rate.<sup>101</sup>

### **Panama's Challenges: Lack of U.S. Support**

Eagleburger went before members of the Senate Appropriations Committee in March of 1990 to help gain support for \$500 million in aid to Panama. He argued that we could not let the hard fought victory slip through our fingers, "We must now provide the funds necessary to ensure that these victories are not hollow and short lived, and we must do it soon."<sup>102</sup> Eagleburger maintained that the basic economic structures were in place in Panama and the purpose of the funds was to help get these structures repaired and functioning so the nation could stand on its own. The plan requested funding in four areas:

- (1) \$185 million for private sector revitalization credit aimed at helping businesses to restock their inventories, resume investments, and create jobs for Panamanians
- (2) \$140 million for a public investment program for such things as water treatment facilities, rural water and sewage projects, and improvements in transportation

- (3) \$130 million to pay off debt to international financial institutions thereby restoring Panama's access to multilateral credit flows
- (4) \$45 million for public sector restructuring and development for such things as technical assistance, building a professional police force, and scholarships for disadvantaged youth.<sup>103</sup>

In addition to the need for economic reconstruction the Endara government faced the enormous challenge of political reconstruction. The administration faced the immediate challenges of restoring order and assuming office without an orderly transition. They inherited institutions ravaged during the last year of Noriega's regime. Financial accounts were inaccessible, government buildings had been sacked and looted, and the Treasury was almost empty. Although President Endara identified unemployment as the biggest problem facing the country, he admitted there was not much the government could do. "We are bankrupt," he acknowledged.<sup>104</sup> The U.S. congress was slow to act on the aid proposal, and in May President Endara visited Washington D.C. to lobby. The promised aid was still only trickling in November and Endara went on a hunger strike.<sup>105</sup>

Though one of the stated U.S. goals of the invasion had been to restore democracy, this goal seemed to lose its importance as 1990 began. U.S. troops arrested anyone suspected of having an association with the Dignity Battalions. Trade union leaders, directors of farm worker cooperatives, and other community

leaders were arrested. In all, it is estimated that 7,000 people were arrested by U.S. troops following the invasion. Many people were afraid to notify authorities that their relatives were missing because they were afraid they would be seen as Noriega supporters. An independent commission on the invasion claimed that "During the invasion U.S. troops carried out the destruction of the offices of almost every political organization and newspaper known to oppose U.S. policy." The report maintained that opposition radio and television stations along with *La República*, a nationalist newspaper, were destroyed by U.S. troops.<sup>106</sup>

Some criticized that U.S. policy goals had actually aimed at returning oligarchic control to Panama. Endara himself was part of the business class that had first been threatened when Torrijos rose to power relying on the military and the peasantry rather than the traditional white elite for support. Certainly bankers, lawyers, and others in the business class prospered after Noriega was gone, as flight capital and drug money returned to Panama. The interests of the elite had the most in common with those of U.S. policy, military, and business. Bank secrecy remained, ensuring financial institutions would continue to be tax havens for big business (legal and otherwise).<sup>107</sup>

Many of the reforms favoring the poor that began during the Torrijos era were reversed as the government took action to comply with the demands of the International Monetary Fund (IMF). In accordance with recommendations from the IMF, labor codes preventing minimal protection from summary dismissal were

dropped and the public work force was decreased as 20,000 public workers lost their jobs. Austerity measures were taken as Panama made arrangements to pay back international lending agencies for Panama's huge national debt. In August of 1991, almost two years after the invasion, conservative estimates still determined that Panamanian unemployment was 20 percent.

The aftermath of the invasion was equally discouraging in the drug trafficking arena. A General Accounting Office report released in July of 1991 concluded that money laundering and drug trafficking actually increased after Noriega's removal. Ironically, DEA officials speculated that trafficking increased following the invasion because drug runners no longer had to make large payments to PDF officials for shipments passing through Panama. The Endara government had to build a drug enforcement capability from scratch and this organization was underfunded and undertrained. The report stated "All three [drug enforcement] agencies lack facilities, basic supplies, and law enforcement equipment such as cars, radio communication equipment, and technical field equipment."<sup>108</sup> Sadly, much of this equipment had been destroyed during the invasion or looted in the days following the attack. U.S. officials believed money laundering was Panama's most serious narcotics related problem. Money laundering flourished due to the commercial and financial infrastructure of Panama as well as the government's inability to detect and deter illegal activities.<sup>109</sup>

## Panama Since 1992

In June of 1992 President Bush made an ill-fated visit to Panama for the first time since the invasion. Many Panamanians protested the visit including trade unions and university students. A group of relatives of Panamanians killed during the invasion formally filed charges against Bush, calling for his arrest upon arrival in Panama. The day before the President's visit, three assailants with automatic weapons attacked a U.S. military vehicle north of Panama City. One U.S. soldier and a 12-year old Panamanian boy were killed during the attack. Bush was scheduled to give a short speech in a downtown park. When he arrived, demonstrators approached the park and were pushed back with tear gas from riot police. The tear gas affected not only the demonstrators, but the 15,000 Bush supporters who had gathered for the speech as well as the President and Barbara Bush themselves. Police and sharpshooters opened fire on the demonstrators. In the ensuing confusion the crowd dispersed and the President and other dignitaries were moved to Albrook Air Force Base. There the President delivered his seven minute speech to an audience made up of mostly U.S. troops.<sup>110</sup>

The Endara government continued to be plagued with problems. A national referendum on constitutional reforms held in November of 1992 was rejected by over two-thirds of the population. Opponents claimed it did not do enough. Panama was a low priority for the Clinton administration, which had

promised to focus on domestic issues. The confirmation of a new ambassador to Panama was blocked by partisan squabbling in the U.S. Senate and the post remained unfilled for 20 months. A new scandal emerged in July of 1993 when it was announced that Endara's law firm and the Panamanian Foreign Ministry had been involved in an illegal arms sale to the Bosnian Army. Later that year, seven of ten PDF soldiers accused of the 1985 murder of Hugo Spadafora were acquitted by a Panamanian jury. The former president's wife, Ana Mae Díaz, led a protest march to the Palace of Justice proclaiming "This trial was a farce."<sup>111</sup>

During the Endara administration one third of the national revenues went toward paying off Panama's national debt. Although the economy slowly recovered, the growth only seemed to help a select group. As the economy grew, poverty did not decrease and even increased in some sectors. The port city of Colón continued to be the scene of violent social unrest. Frequent riots broke out protesting the lack of jobs (this area suffered from 54% unemployment), inhumane housing conditions, inadequate educational system, and poor health facilities.<sup>112</sup>

Panamanians had low confidence in their government. In 1994, 70 percent approved of a continued presence of U.S. military bases. This was mainly because they feared Panama lacked the political capacity to generate economic resources to replace those that would be lost when the Americans left.

An article published by the Panamanian Center for Research and Social Action gave an accurate description of the current circumstances:

The current situation of our country does nothing more than confirm the direction of recent years. Panama seems to be caught in a vicious circle where political instability, economic models that concentrate wealth and produce poverty, and democracy that is more exclusive than inclusive, combine to deepen the population's lack of confidence not only in those who govern in the political system, but -- what is worse -- in the system itself.<sup>113</sup>

In May of 1994 Ernesto Pérez Balladares was elected president of Panama. This last election was pronounced the cleanest in Panama's 91 year history. There were over 2,500 national and international observers present for the voting, including former U.S. president Jimmy Carter. Balladares ran as a candidate of the Revolutionary Democratic Party, a party which had been founded by Omar Torrijos. He had served as Finance Minister under Torrijos and had served as campaign manager to Noriega's presidential candidate in the 1989 elections. During the campaign he said he supported full compliance with the Panama Canal Treaties but would not refuse to talk about military issues "if the United States asks." His campaign slogan was "Power to the People and Flight to the Rabiblancos" (*rabiblancos* refers to members of the mostly white Panamanian upper class), but Balladares was a millionaire himself. His administration faced the enormous challenge of resolving long-standing social, economic, and political crises in Panama.<sup>114</sup>

### **Commentary on the Rollback Theory**

The proponents of the Global Rollback Strategy would argue that removing Noriega did not necessarily accomplish all of the goals of the U.S. The ideology of rollback could only be accomplished if the new government cooperated with the U.S. economically, politically, and militarily. Certainly, history has shown that the advertised goals of the invasion have been only partially met. Though an elected government has been in power in Panama ever since the invasion, drug trafficking has continued to be a problem (albeit without the direct involvement of the Panamanian government).<sup>115</sup> The U.S. has also successfully regained it's previous influence on Panama, enabling it to push the goal of a free-market, capitalist society.

America's execution of the drug war overseas has not been consistent. It has been given as a reason for intervention in places like Nicaragua, Cuba, and Panama. However, more clearly proven government involvement in many places is overlooked. These places include Mexico, Panama (before the split with Noriega), Jamaica, and El Salvador.<sup>116</sup> Panama is a good example of this inconsistency because of the fact that the U.S. did not take action against Noriega until after he defied American control and influence. Panama was considered a democracy before Noriega fell from favor, though the actual level of democracy was questionable as long ago as the Torrijos regime in the late 1960's. The

rollback theory is supported in this case, though the ultimate goal of a global capitalist, free-market society is far from being met in Panama.

### **Conclusion**

Over the years, U.S. policy towards Panama has been driven by the canal and economic and political factors. Until the mid 1980's, the United States tolerated Panamanian drug trafficking activities and repressive government measures because access to the Panama Canal and maintaining an anti-Communist government were higher priorities than democratic ideals or the drug war. Later, the American tolerance level changed when Noriega blatantly discarded democracy, openly violated human rights, and directly challenged U.S. economic policies. Unsuccessful in removing Noriega peacefully from power and provoked by an escalating threat to Americans in Panama, the U.S. invaded Panama in December of 1989.

The stated goals of the invasion were to restore democracy and stop drug trafficking in Panama. A small amount of help was given to Panama following the very expensive and destructive attack. Following the removal of the Noriega regime itself, the U.S. provided very little assistance to combat the drug trade and rebuild the country. Panama had one of the strongest Central American economies in the 1960's. Abuse of power and corruption began the economic downturn, but U.S. sanctions and the lack of Panamanian resources available to

rebuild the economy after the invasion have lessened the possibility of an economic recovery.

The U.S. failed in two critical foreign policy areas in its dealings with Panama. Repressive military rule was tolerated in Panama for almost 20 years before the U.S. finally had the resolve to intervene. Eventually the U.S. had to resort to an invasion to install an elected government in Panama. Next, the U.S. failed to provide committed economic support for the struggling country suffering from years of corruption and economic mismanagement, as well as from the devastation of the invasion itself. U.S. lack of resolve allowed Manuel Noriega to accumulate enormous personal wealth through corruption, drug trafficking, and pay-offs from the U.S. government. Noriega openly abused human rights, made a mockery of democracy, destroyed the once strong Panamanian economy, and eventually declared war on the United States. As a result of poorly formulated and inconsistent strategies toward Panama, the U.S. received another black eye on its foreign policy record for Latin America.

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<sup>1</sup> Frederick Kempe, Divorcing the Dictator, (New York: G. P. Putnam's Sons, 1990), p. 25.

<sup>2</sup> Kempe., p. 6.

<sup>3</sup> Christina Johns and P. Ward Johnson, State, Crime, the Media, and the Invasion of Panama, (London: Praeger Publishers, 1994), pp. 5-9.

<sup>4</sup> Steve Albert, The Case Against the General: Manuel Noriega and the Politics of American Justice, (New York: Charles Scribner's Sons, 1993), p. 14.

<sup>5</sup> R. M. Koster and Guillermo Sánchez, In the Time of the Tyrants, (New York: W. W. Norton & Co., 1990), p. 47-50, and Albert, pp. 14-15.

<sup>6</sup> John Dinges, Our Man in Panama, (New York: Random House, 1991), pp. 31-34.

<sup>7</sup> Dinges, pp. 31-34.

<sup>8</sup> Graham Greene, Getting to Know the General, (London: The Bodley Head, 1984), p. 27, and Amy E. Wolff, SINAMOS and Lima's Pueblos Jovenes: A Corporatist Failure, and The Torrijos Regime of 1968-1978: Reform and the Effects, (Austin, Tx.: University of Texas, May, 1988), p. 42.

<sup>9</sup> Dinges, pp. 34-38.

<sup>10</sup> Dinges, pp. 39,51.

<sup>11</sup> Koster, pp. 58-65.

<sup>12</sup> Germán Múnoz, Panamanian Political Reality: The Torrijos Years, (Coral Gables, Fl.: University of Miami, May 1981), pp. 9-10.

<sup>13</sup> Dinges, pp. 39, 42-44.

<sup>14</sup> Múnoz, p. 9.

<sup>15</sup> Múnoz, pp. 11-12.

<sup>16</sup> Wolff, p. 45.

<sup>17</sup> Wolff, pp. 43-44.

<sup>18</sup> Múnoz, p. 14.

<sup>19</sup> Múnoz, pp. 12-15.

<sup>20</sup> Múnoz, pp. 15-23.

<sup>21</sup> Dinges, pp. 39, 42-44.

<sup>22</sup> Dinges, p. 44.

<sup>23</sup> Margaret E. Scranton, The Noriega Years: U.S.-Panamanian Relations, 1981-1990 (Boulder: Lynne Rienner Publishers, 1991), pp. 56-58.

<sup>24</sup> Dinges, pp. 45-47.

<sup>25</sup> Dinges, pp. 49-51.

<sup>26</sup> Oppenheimer, p. 15.

<sup>27</sup> George Priestley, Military Government and Popular Participation in Panama, (Boulder, CO.: Westview Press, 1986), p. 65.

<sup>28</sup> Greene, p. 113.

<sup>29</sup> Wolff, p. 60.

<sup>30</sup> Wolff, pp. 53-54.

<sup>31</sup> Priestley, p. 41.

<sup>32</sup> Múnoz, pp. 64-66 and Greene p. 37.

<sup>33</sup> Múnoz, p. 63.

<sup>34</sup> Múnoz, pp. 75-76.

<sup>35</sup> Priestley, pp. 28-30, and Múnoz, p. 26.

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<sup>36</sup> Priestley, pp. 55-57.

<sup>37</sup> Priestley, p. 61.

<sup>38</sup> Priestley, pp. 57-62.

<sup>39</sup> Múnoz, p. 226.

<sup>40</sup> Múnoz, pp. 226-228.

<sup>41</sup> Múnoz, pp. 229.

<sup>42</sup> Múnoz, p. 230.

<sup>43</sup> Múnoz, p. 230.

<sup>44</sup> Múnoz, p. 351.

<sup>45</sup> Greene, pp. 61-62.

<sup>46</sup> Múnoz, p. 353.

<sup>47</sup> Múnoz, pp. 352-363.

<sup>48</sup> Scranton, p. 2.

<sup>49</sup> U.S. Department of State, Panama Canal: The Strategic Dimension, Department of State Current Policy no. 1226, by Michael G. Kozak (Washington, D.C.: Office of Public Communication, 1989), p. 2.

<sup>50</sup> Kempe, pp. 113-118.

<sup>51</sup> Albert, pp. 15-16.

<sup>52</sup> Albert., p. 15.

<sup>53</sup> Kempe, p. 6.

<sup>54</sup> Scranton, pp. 82-83.

<sup>55</sup> Albert, p. 16.

<sup>56</sup> Scranton, pp. 105-117.

<sup>57</sup> U.S. Department of State, The OAS and the Crisis in Panama, Department of State Current Policy no. 1205, by Lawrence S. Eagleburger (Washington, D.C.: Office of Public Communication, 1989), p. 2.

<sup>58</sup> Kempe, pp. 3-4.

<sup>59</sup> U.S. Department of State, The Case Against Panama's Noriega, Department of State Current Policy no. 1222, by Lawrence S. Eagleburger (Washington, D.C.: Office of Public Communication, 1989), pp. 1-2.

<sup>60</sup> Policy no. 1222, p. 3.

<sup>61</sup> Johns, p. 13.

<sup>62</sup> Koster, p. 37.

<sup>63</sup> Dinges, p. 288.

<sup>64</sup> "An Ouster Fizzles," U.S. News and World Report, 29 February 1988, p. 8.

<sup>65</sup> Scranton, p. 3.

<sup>66</sup> Johns, pp. 11-12.

<sup>67</sup> Johns, pp. 10-12.

<sup>68</sup> Policy no. 1205, p. 1.

<sup>69</sup> Policy no. 1205, pp. 1-3.

<sup>70</sup> Policy no. 1205, pp. 1-3.

<sup>71</sup> Policy no. 1222, p. 1.

<sup>72</sup> Policy no. 1222, pp. 1-6.

<sup>73</sup> Johns, p. 1.

<sup>74</sup> Policy no. 1226, pp. 1-3.

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<sup>75</sup> Policy no. 1226, pp. 1-3.

<sup>76</sup> Scranton, p. 4.

<sup>77</sup> Kempe, p. 11.

<sup>78</sup> U.S. Department of State, The OAS: Realizing a Vision of Democracy, Department of State Current Policy no. 1224, by Secretary Baker (Washington, D.C.: Office of Public Communication, 1989), p. 2.

<sup>79</sup> Policy no. 1224, pp. 2-3.

<sup>80</sup> Kempe, pp. 9-11.

<sup>81</sup> Kempe, p. 8.

<sup>82</sup> Kempe, p. 11.

<sup>83</sup> Kempe, pp. 11-12.

<sup>84</sup> Kempe, pp. 13-14.

<sup>85</sup> Kempe, pp. 9-16.

<sup>86</sup> U.S. Department of State, Panama: A Just Cause, Department of State Current Policy no. 1240 (Washington, D.C.: Office of Public Communication, 1989), p. 1-2.

<sup>87</sup> Policy no. 1240, p. 1.

<sup>88</sup> Policy no. 1240, p. 1-2.

<sup>89</sup> Scranton, p. 1.

<sup>90</sup> Kempe, pp. 15-21.

<sup>91</sup> Johns, p. 93.

<sup>92</sup> U.S. Department of State, U.S. Assistance to Panama, Nicaragua, Department of State Current Policy no. 1279 (Washington, D.C.: Office of Public Communication, 1990), p. 3.

<sup>93</sup> Policy no. 1279, p. 3.

<sup>94</sup> Dinges, pp. 312-313.

<sup>95</sup> Kempe, p. 23.

<sup>96</sup> Kempe, p. 17.

<sup>97</sup> U.S. General Accounting Office, Panama: Cost of the U.S. Invasion of Panama, U.S. General Accounting Office Document no. B-240794, (Washington, D.C.: U.S. Government Printing Office, 1990), p. 2.

<sup>98</sup> Kempe, p. 398-417.

<sup>99</sup> Johns, p. 89.

<sup>100</sup> Panama Update, (Santa Cruz, CA: The Fellowship of Reconciliation Task Force on Latin America and the Caribbean, June 1992 - December 1995), June 92, p. 2.

<sup>101</sup> Policy no. 1264, pp. 1-2.

<sup>102</sup> Policy no. 1264, p. 1.

<sup>103</sup> Policy no. 1264, pp. 1-3.

<sup>104</sup> Scranton, pp. 213-217.

<sup>105</sup> Johns, p. 13.

<sup>106</sup> Johns, pp. 87-89, 95.

<sup>107</sup> Johns, pp. 97, 116.

<sup>108</sup> U.S. General Accounting Office, The War on Drugs: Narcotics Control Efforts in Panama, U.S. General Accounting Office Document no. B-244220, (Washington, D.C.: U.S. Government Printing Office, 1991), p. 5.

<sup>109</sup> Document no. B-244220, pp. 1-3.

<sup>110</sup> Panama Update, June 92, p. 3.

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<sup>111</sup> Panama Update, March 93, p. 2., September 93, pp. 5-7., Autumn 95, p. 7.

<sup>112</sup> Panama Update, June 92, p. 1.

<sup>113</sup> Panama Update, Winter 1994, pp. 1-2.

<sup>114</sup> Panama Update, Summer 1994, pp. 1-2.

<sup>115</sup> GAO Document no. B-244220, pp. 1-9.

<sup>116</sup> Johns, p. 8.

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## **Vita**

Yvonne Marie Allen was born in Oak Park, Illinois on 13 April 1967, to Carol Ellen Bennett née Kujala and Richard Taylor Bennett. After completing high school at Downers Grove North High School in Downers Grove, Illinois in May of 1985, she entered the United States Air Force Academy in Colorado Springs, Colorado. In May of 1989 she graduated from the Academy with a Bachelor of Science degree in Humanities with a minor in Spanish. Also in May of 1989 she was commissioned into the United States Air Force as a Second Lieutenant. She has served as an intelligence officer at Goodfellow Air Force Base in Texas; Cannon Air Force Base in New Mexico, and Ramstein Air Base in the Republic of Germany. She married Scot Tolbert Allen on the 8th of August, 1992 in DuPage county, Illinois. In August 1996, she entered The Graduate School at the University of Texas at Austin.

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